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SECOND INDEPENDENT OFFICES APPROPRIATION BILL, 1954

JUNE 11, 1953.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. PHILLIPS, from the Committee on Appropriations, submitted the following

REPORT

[To accompany H. R. 5690]

The Committee on Appropriations submits the following report in explanation of the accompanying bill making appropriations for additional independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1954, and for other purposes.

SCOPE OF THE BILL

The bill provides appropriations from the Atomic Energy Commission, beginning on page 94 of the 1954 budget, the Selective Service System beginning on page 135, the Tennessee Valley Authority, page 177, and the Veterans Administration, page 141.

APPROPRIATIONS AND ESTIMATES

A tabulation appears at the end of this report giving a complete statement by individual appropriation items of the appropriations for 1953, the budget estimates for 1954, and the amounts recommended in the bill for the fiscal year 1954.

The following summary sets forth the committee action with respect to the several activities provided for in the bill:

Item	Appropriations, 1953	Estimates, 1954	Recommended, 1954	Bill compared with—	
				1953 appropriations	1954 estimates
Atomic Energy Commission.....	\$4,124,621,500	\$1,592,789,000	\$1,057,781,000	—\$3,066,840,500	—\$535,008,000
Selective Service System.....	36,772,000	34,400,000	29,882,400	—6,889,600	—4,517,600
Tennessee Valley Authority.....	336,027,000	254,355,000	188,371,000	—147,656,000	—65,984,000
Veterans Administration.....	4,144,703,960	4,574,214,664	4,008,335,264	—136,368,696	—565,879,400
Total.....	8,642,124,460	6,455,758,664	5,284,369,664	—3,357,754,796	—1,171,389,000

The substantial savings in the original budget estimates, totaling \$1,171,389,000, have resulted from a careful screening of the budget as submitted in January, and represents the combined efforts to effect reductions wherever possible on the part of the Bureau of the Budget, the committee, and, in some instances, the agency itself. The committee feels that the total reduction in the Budget estimates, which is a saving in excess of 18 percent, is the maximum which safely can be deducted from the 1954 requests for these agencies. The reduction of about \$3.3 billion in the bill as compared with the 1953 appropriation is accounted for almost entirely by the decrease in funds for the Atomic Energy Commission, which reflects a reduction of more than \$3 billion under the 1953 appropriation.

PURCHASE OF AUTOMOBILES

In line with its policy of denying all requests in the estimates for authority to purchase new automobiles as set forth in the report on the First Independent Offices Appropriation Bill, the committee has refused all requests for this purpose in the estimates for the agencies included in this bill. A more detailed statement is contained in the committee's report on the First Independent Offices Bill concerning the policy of the committee regarding this matter.

ATOMIC ENERGY COMMISSION

This commission is responsible for the production of fissionable materials and atomic weapons, research and development of both military and peaceful applications of atomic energy, and the dissemination of technical information for general use by educational and other institutions and the public at large.

The committee considered a budget request totaling \$1,592,789,000 for this activity and has included in the bill therefore \$1,057,781,000, which is a reduction of \$535,008,000 in the Budget estimate. A tabulation showing the Budget estimate by project, the amount allowed by the Committee, and the reduction recommended in each activity is set forth below as follows:

U. S. Atomic Energy Commission

Project	Original budget estimates, 1954	Allowed by committee	Reduction
Operations:			
(a) Source and fissionable materials.....	\$439,638,000	\$423,938,000	-\$15,700,000
(b) Weapons.....	320,026,000	299,833,000	-20,193,000
(c) Reactor development.....	110,300,000	87,750,000	-22,550,000
(d) Physical research.....	43,548,000	38,900,000	-4,648,000
(e) Biology and medicine.....	26,565,000	26,565,000	-----
(f) Community operations.....	2,136,000	1,636,000	-500,000
(g) Program direction and administration.....	40,678,000	34,740,000	-5,938,000
(h) Security investigations.....	16,282,000	13,112,000	-3,170,000
Total operating costs.....	999,173,000	926,474,000	-72,699,000
Increase in—			
Inventories.....	9,936,000	1,882,000	-8,054,000
Working capital.....	3,604,000	-32,762,000	-36,366,000
Unliquidated obligations.....	143,705,000	47,039,000	-96,666,000
Total operating obligations.....	1,156,418,000	942,633,000	-213,785,000
Unobligated balance of prior years reappropriated.....	0	-50,852,000	-50,852,000
Appropriation for operating expenses.....	1,156,418,000	891,781,000	-264,637,000
Plant and equipment:			
(a) Source and fissionable materials facilities.....	660,344,000	542,592,000	-117,752,000
(b) Weapons facilities.....	79,327,000	86,496,000	+7,169,000
(c) Reactor development facilities.....	51,775,000	32,478,000	-19,297,000
(d) Physical research facilities.....	4,824,000	2,430,000	-2,394,000
(e) Biology and medicine facilities.....	391,000	391,000	0
(f) Community facilities.....	8,669,000	5,633,000	-3,036,000
(g) Administrative facilities.....	125,000	0	-125,000
(h) Equipment not included in construction projects.....	34,916,000	29,616,000	-5,300,000
Total plant and equipment obligations.....	840,371,000	699,636,000	-140,735,000
Unobligated balance of prior years reappropriated.....	-404,000,000	-533,636,000	-129,636,000
Appropriation for plant and equipment.....	436,371,000	166,000,000	-270,371,000
Grand total appropriations.....	1,592,789,000	1,057,781,000	-535,008,000

In connection with the appropriation request for operating expenses the committee considered budget estimates totaling \$1,156,418,000, and has included in the bill \$891,781,000, a reduction of \$264,637,000 in the Budget estimate. Savings in the operating expense program during the current fiscal year, estimated at \$50,852,000, are continued available in fiscal year 1954 and provide a total of \$942,633,000 for operating obligations.

The committee has recommended the budget estimate of \$26,565,000 for operating expenses of the biology and medicine program in order that the important research and experimental work now being conducted will not be diminished during the next fiscal year. The committee calls attention here, as it has done in connection with its consideration of appropriations for the Veterans Administration and other agencies, that there is no coordination of the expenditure of Federal funds in the field of cancer research. Full consideration should be given to the coordination of this program in all Federal activities or in private hospitals, foundations or other appropriate agency.

A reduction of \$500,000 in the estimate of \$2,136,000 for community operations is recommended. In connection with this reduction the committee points out that fire and police costs at Hanford are extremely high, that the staff of 15 inspectors at Richland to write specifications for each individual service call in relation to repairs to

housing is unnecessary, and that there is no good reason why charges to concessionaires for utilities should be at less than cost.

For program direction and administration the bill contains \$34,740,000, which is \$5,938,000 less than the budget estimate and the amount of the revised 1953 operating cost. While there may be some expansion of activities in the next fiscal year the committee can see no reason why there should be an enlargement of the commission's staff. With proper adjustment in assignment of personnel the committee believes that some retrenchment can be made. An outstanding example is the employment by AEC of a very large staff to supervise the contractors who actually operate AEC facilities. The great majority of these plants are operated by contractors with whom AEC is familiar and who have had long experience in their present work, and it is the opinion of the committee that large supervisory staffs representing AEC at these facilities are not essential. Additional savings which can be effected in this program are contained in the committee investigators' report which has been supplied AEC for its information and guidance.

The bill contains \$13,112,000 for security investigations which is a reduction of \$3,170,000 under the budget estimate of \$16,282,000. Under the heading of "security" the committee expresses the belief that there is a very large waste of public funds as the program is administered by the commission. Committee investigators have estimated that the annual cost of the security program is in excess of \$55,000,000 inclusive of funds provided for security investigations referred to above, all coming under the AEC security program. The whole security setup of AEC should be reviewed and simplification and economy effected wherever feasible.

The original budget proposed an increase in working capital of \$3,604,000. The committee recommends a reduction of \$33,366,021 in the collateral funds balance presently carried in the accounts of the commission as an insurance fund. It is the feeling of the committee that with the passage of time these collateral funds, formerly utilized under the du Pont contract operation of Hanford and under the current contract for the operation of Hanford with the General Electric Company, are no longer required as an insurance fund to protect personnel and property. The committee feels that these funds should be recaptured, and it has, therefore, applied such funds to the requirements of this appropriation for the fiscal year 1954. The recapture of \$33,366,021 in the collateral funds balance and a reduction of \$3,000,000 in other balances results in a net decrease of \$32,762,021 in total working capital balances from June 30, 1953, to June 30, 1954. This reduction, together with the denial of a budget request for new funds in the sum of \$3,604,000 accounts for the reduction of \$36,366,000 (rounded off) recommended in the bill.

For plant and equipment the committee recommends an appropriation of \$166,000,000, which is a reduction of \$270,371,000 in the budget estimate. However, the committee points out that an unobligated balance amounting to \$533,636,000 will be carried forward from the fiscal year 1953, thus making a total of \$699,636,000 available for obligation for construction purposes during the fiscal year 1954. The sizeable unobligated balance (\$533,636,000) to be carried forward to the fiscal year 1954 is due to the delay in committing funds originally planned for obligation in fiscal year 1953 and to the deferral of projects originally planned to start in that year.

SELECTIVE SERVICE SYSTEM

The Selective Service System operates through more than 4,000 local and appeal boards and registers, classifies and forwards men for induction into the armed forces. The budget for the fiscal year 1954 as originally submitted to the Congress was based on the induction of 485,000 men. A revision of this estimate calls for the induction of 323,000 men.

The committee considered a budget estimate of \$34,400,000 and has recommended a total of \$29,882,400, which is a reduction of \$4,517,600 in the estimate. The major portion of this reduction is in selectee travel amounting to \$3,327,600. A further reduction of \$37,600 is recommended, consisting of \$10,000 for travel by national headquarters personnel, and \$27,600 for the purchase of automobiles. The sum of \$265,000 is provided for the National Advisory Committee on the Selection of Doctors, Dentists, and Allied Specialists. Continuation of this Board, which would have expired on June 30, 1953, is authorized by H. R. 4495 which has passed the House of Representatives. Under Section 102 of the bill the committee has excepted members of local draft boards from limitation on the amount which may be used by them for travel.

TENNESSEE VALLEY AUTHORITY

The committee recommends an appropriation of \$188,371,000 for this purpose in 1954, which is \$147,656,000 less than the amount appropriated for the current year and is a reduction of \$65,984,000 in the budget estimate. In addition thereto the budget for 1954 provides \$179,276,000 from corporate income.

The following table sets forth the committee action in connection with various programs in this item:

	Original budget	Recom- mended by committee	Reduction
Acquisition of assets:			
Power facilities:			
Projects under construction.....	\$191,589,000	\$160,589,000	—\$31,000,000
New facilities:			
Fulton steam plant, units 1-2.....	30,000,000		—30,000,000
John Sevier unit 3.....	8,800,000	8,800,000	
Kingston unit 9.....	9,000,000	9,000,000	
Total power facilities.....	239,389,000	178,389,000	—61,000,000
Additions and improvements at completed projects.....	1,791,000	1,130,000	—661,000
Navigation facilities.....	563,000	260,000	—303,000
Investigations for future projects.....	287,000	100,000	—187,000
Chemical facilities.....	1,642,000	872,000	—770,000
General facilities.....	1,256,000	717,000	—539,000
Distribution of administrative and general expenses.....	1,495,000	1,495,000	
Total acquisition of assets.....	246,428,000	182,963,000	—63,465,000
Program expenses:			
Resource development.....	2,377,000		—2,377,000
Other programs.....	5,055,000	5,055,000	
Distribution of administrative and general expenses.....	500,000	500,000	
Total program expenses.....	7,932,000	5,555,000	—2,377,000
Inventories and property transfers.....	—5,000	—5,000	
Total appropriation financed budget.....	254,355,000	188,513,000	—65,842,000
Less funds for purchase of 180 automobiles.....		—142,000	—142,000
Grand total.....	254,355,000	188,371,000	—65,984,000

There is included in the bill \$160,589,000 to continue construction in 1954 of all thirty-four power units now at various stages of construction, but at a retarded rate. It was testified that there have been slippages in dates since the budget was prepared. This will inevitably mean some delay, and it is therefore possible to defer obligations for certain equipment items until the next fiscal year. The committee has accordingly reduced the estimate, as recommended in the revised budget, by \$31,000,000.

The committee has given very careful consideration to estimates of the future power requirements of the TVA system, and is impressed with the concern felt by many Members and others that adequate funds should be provided to supply the future needs of the area. There is included in the bill \$17,800,000 to start construction on two new steam units as additions to existing steam plants, one at Kingston, and one at John Sevier. The committee has denied funds in the amount of \$30,000,000 for a new steam plant proposed in the original estimates for construction in the Memphis area. This is in accordance with the revised budget.

Evidence from the Federal Power Commission and the Defense Electric Power Administration indicates that in the twelve years from 1941 to 1952, inclusive, TVA has continuously overestimated its future power demand. The excess of estimate over actual consumption for 1951 was 323,000 kilowatts and for 1952 it was 779,000 kilowatts. After the removal of the two steam plants in the revised budget for the fiscal year 1954, the margin of capability above probable loads for the next four years is as follows:

Year	TVA estimate [Kilowatts]	DEPA estimate [Kilowatts]
1953.....	465,000	463,000
1954.....	64,000	558,000
1955.....	1,010,000	1,176,000
1956.....	891,000	1,837,000

After making an allowance of 10 percent for reserve and maintenance and giving no consideration to power available from other companies through interconnections, the margin of capability over load, based on the DEPA estimate, is estimated to be 897,000 kilowatts in 1955 and 974,000 kilowatts in 1956. With many new units coming into operation in the next few years, the committee is assured that there will be a surplus rather than a shortage of power for years to come.

The committee is concerned, however, as to the requirements in future years for funds from the Federal government for continued expansion of power facilities, and every consideration should be given to ways in which the demands of the Federal government can decrease, and TVA become a self-sustaining agency. In this connection it was testified that in the Memphis area, under proper terms and conditions, private companies already serving this area would be willing and able to furnish power for any requirements that might be needed, and would construct additional facilities as required.

In most of the other programs set forth in the foregoing table the committee has adopted the revised budget recommendations, and in addition has reduced funds for investigations of future projects by an additional \$100,000. It has eliminated appropriated funds for resource development. In this latter connection, the programs are

designed to encourage similar programs by State and local governments, and the objective should be for the Authority to decrease its activity as the programs develop. In view of the fact that the programs have been operating for a number of years, that the Department of Agriculture is spending about \$20,000,000 on similar work, the Department of the Interior is engaged in activities in the area, and in many States local or State agencies carry on such programs, the committee is of the opinion that future programs should be financed from revenues or by local or State sources and has accordingly made a saving in this item of \$2,377,000.

It is the feeling of the committee with relation to the recent proposal to construct new administrative offices for the Authority that no steps should be taken to move the office personnel located in Knoxville to a new location, nor should funds be expended for the acquisition of a new administrative headquarters at a new site so long as the amount appropriated annually for construction of power facilities is more than the amount deposited annually in the Treasury for such facilities.

VETERANS ADMINISTRATION

The Committee recommends a total of \$4,008,335,264 for the Veterans Administration for the fiscal year 1954, as compared with a total of \$4,144,703,960 for the fiscal year 1953. The amount recommended is \$136,368,696 less than the 1953 appropriation and \$565,879,400 below the budget estimate.

Administration, medical, hospital, and domiciliary services.—As presented in the 1954 budget funds for general administration and all requests for the operation of hospitals, medical and domiciliary services were provided in a single appropriation paragraph. The committee is of the opinion that a lump-sum appropriation for the various items making up a total estimate of nearly \$1 billion gives too much discretion to the administering agency. A breakdown of the major items composing the estimate into separate appropriation paragraphs will give the Congress greater control over the amounts which should be provided for specific programs and enable it to act more intelligently than is the case at present where a general "catch-all" appropriation is provided. For these reasons, the committee has recommended that this item be divided into seven appropriation paragraphs to be distributed as follows:

1. Programs 1000 to 7000, General operating expenses.
2. Programs 8100, 8200, 8300, and 9000, Medical, hospital and domiciliary administration, research, education and training, and capital expansion.
3. Programs 8410 to 8430, maintenance and operation of hospitals.
4. Program 8440, contract hospitalization.
5. Program 8500, domiciliary facilities.
6. Program 8600, out-patient care.
7. Program 8700, maintenance and operation of supply depots.

The following tabulation showing appropriations for the fiscal year 1953, the original and revised estimates for 1954, and the amounts recommended in the bill, divided on the basis of these seven separate appropriation paragraphs is set forth below. An explanation of increases and decreases recommended by the committee under the new arrangement also follows.

8 SECOND INDEPENDENT OFFICES APPROPRIATION BILL, 1954

Veterans Administration—Table of administration, medical, hospital, and domiciliary services obligations

Item	Appropriations, 1953	Original estimates, 1954	Revised estimates, 1954	Recommended, 1954
General operating expenses:				
1000 General administration.....	\$69,384,802	\$75,059,000	\$71,252,000	\$71,652,000
2000 Contact.....	8,925,877	8,294,000	8,128,000	8,128,000
3000 Claims.....	36,487,912	36,875,000	34,738,000	34,738,000
4000 Insurance.....	34,254,000	29,128,000	29,591,000	30,591,000
5000 Vocational rehabilitation.....	30,314,727	45,014,000	39,025,000	37,192,000
6000 Loan guarantee.....	13,440,177	13,230,000	13,230,000	13,230,000
7000 Readjustment allowance.....	436,310			
Less: Undistributed reduction.....			-2,214,000	-2,000,000
Total, General operating expenses.....	193,243,805	207,600,000	193,750,000	193,531,000
Medical administration and miscellaneous operating expenses:				
8100 Medical, hospital, and domiciliary administration.....	8,364,010	8,747,900	7,757,900	7,757,900
8200 Research.....	5,217,000	6,500,000	5,500,000	5,500,000
8300 Education and training.....	1,423,000	1,600,000	1,300,000	1,300,000
9000 Capital expansion.....	400,000	396,500	312,500	312,500
Total, Medical administration and miscellaneous operating expenses.....	15,404,010	17,244,400	14,870,400	14,870,400
Maintenance and operation of hospitals:				
8410 NP hospital care.....	156,616,420	166,150,000	155,128,600	-----
8420 TB hospital care.....	47,028,352	47,366,500	46,250,800	-----
8430 G. M. & S. hospital care.....	311,493,687	335,562,800	322,593,600	-----
Total, Maintenance and operation of hospitals.....	¹ 515,138,459	² 549,079,300	³ 523,973,000	⁴ 555,000,000
Contract hospitalization (8440).....	22,300,000	20,583,100	17,783,100	20,583,100
Maintenance and operation of domiciliary facilities (8500).....	22,047,452	26,377,200	24,248,200	24,248,200
Outpatient care (8600).....	96,826,328	104,677,900	81,572,900	92,677,900
Maintenance and operation of supply depots (8700).....	2,174,761	2,244,500	2,244,500	1,800,000
Less: Depot stock usage.....	-2,751,789			-----
Total obligations.....	864,383,026	927,803,400	858,442,100	902,710,600
Less: Reimbursements from other sources.....	-6,750,751	-6,706,400	-7,092,100	-7,000,000
Unobligated balance.....	8,249,985			-----
Total appropriations.....	865,882,260	921,100,000	851,350,000	895,710,600

NOTE.—The total obligations included in the item for "Maintenance and operation of hospitals" includes reimbursements for services performed for other Government agencies and individuals in the following amounts: ¹ \$6,750,751, ² \$6,706,400, ³ \$7,092,100, and ⁴ \$7,000,000.

General operating expenses, program 1000 to 7000.—In recommending an appropriation of \$193,531,000 for general operating expenses the committee has approved the amounts proposed in the revised estimates with three exceptions. An increase of \$400,000 has been allowed under the heading "general administration" for the specific purpose of beginning an expansion of the internal audit program in 1954. The agency has no independent internal audit of property accounts and supply operations, compensation and pension eligibility and related payments, insurance operations, or other major programs, involving billions in Federal funds. The internal audit organization should report to the Administrator through channels wholly independent of the program operating heads. The proper implementation of this program will save many times the amount of expenses involved. The expanded audit group would disclose unsatisfactory situations such as overstaffing, overstocking of inventory, improper interpretation of law and regulations regarding benefit payments to veterans,

unnecessary paper work, excessive reporting, and other similar matters that result in avoidable expenditures.

Under program 3000, "Claims", the committee points out that a saving of \$600,000 or more, referred to on page 769 of the hearings can be made by changing the policy of making payments of 10 and 20 percent disabilities quarterly rather than monthly. The committee has not attempted to distribute these savings, a major portion of which will be made in the Treasury Department and the Post Office Department.

The committee has recommended an increase of \$1,000,000 in the revised estimate of \$29,591,000 for program 4000, "Insurance". A detailed review of insurance operations indicates a current backlog of 448 man-years, which is the equivalent of \$1,642,000 at the average salary rate for VA. The cost of insurance operations for fiscal year 1953 are estimated at \$34,254,000, and the Bureau of the Budget estimated \$29,591,000 for fiscal year 1954, a decrease of \$4,663,000. It does not seem possible for the insurance program to enter the year with (1) an excessive backlog of essential work, and (2) a prospective load of new policies under Public Law 23, and still accept more than a \$4½ million cut in 1954; accordingly, \$1,000,000 has been restored. The backlog and workload problem is made particularly acute because of Public Law 36 which automatically credits dividends to premiums without written consent from the insureds. A repeal of this law is essential, but the budgetary effects of such repeal will not be felt until fiscal year 1955. An increase in efficiency in the operations of this activity is also expected.

In connection with program 5000, "Vocational Rehabilitation", the committee has recommended a reduction of \$1,833,000 in payments to educational institutions for reporting attendance of enrolled veterans. Public Law 550 of the 82d Congress provides for the payment of \$1.50 per month per student for such reports. The committee is of the opinion that such payments are excessive and has inserted in the bill a provision reducing the monthly payment to \$1, effective September 1, 1953.

The committee has approved an undistributed reduction of \$2,000,000 to be applied as the new Administrator may determine. The committee is of the opinion that reductions can be made in the number of regional offices, the number of contact offices, and through the elimination of duplications in administration.

Medical administration and miscellaneous operating expenses.—For this new appropriation item consisting of administrative expenses of the medical program, research, education and training, and capital expansion there is recommended \$14,870,400, which is the amount of the revised estimate and \$2,374,000 less than the original estimate. The committee has allowed \$5,500,000 for research which also is the amount of the revised estimate. With over \$2 billion appropriated for research in 1954, the committee feels that an analysis could well be made to determine the appropriate distribution of this money. More than \$47,000,000 was appropriated in a previous bill to one of the departments, and this same bill will contain over \$9,000,000 for medical research appropriated to the Atomic Energy Commission. It is quite probable that money provided in one or the other of these funds, particularly the former, should be transferred to the Veterans Adminis-

tration, for the practical application, in VA hospitals, of the research findings in the entire field of medical research. Of the \$5,500,000 provided in the bill, \$800,000 is appropriated specifically for prosthetic research.

Maintenance and operation of hospitals.—This new item provides all funds required for the operation and maintenance of NP, TB, and G. M. and S. hospitals. The bill contains a total \$555,000,000 for this purpose, a sum approximately \$6,000,000 in excess of the original budget estimate. It is substantially in excess of the revised estimate of \$523,973,000 and the 1953 appropriation of \$515,138,459. The amount recommended is the figure agreed upon by the Acting Administrator of Veterans Affairs and the Chief Medical Director during hearings on the bill, as the sum with which they could operate all hospitals now in operation or which will come into operation during the fiscal year 1954 and do a "good job." The committee was also assured by the Chief Medical Director that there would be no decrease in the high quality of food supplied in the hospitals. The sum recommended will provide for the staffing and operating of 114,315 hospital beds in the fiscal year 1954. The committee has inserted a provision in the bill to the effect that in the event a lesser number of beds is staffed and operated the expenditure of funds provided shall be reduced proportionately.

The committee questions whether the government can afford to continue to give free hospitalization and treatment to veterans for non-service conditions such as tonsillectomy, appendectomy, herniotomy, and so forth, and it urges the appropriate legislative committee to give serious consideration to the matter. Where such treatment is provided in VA hospitals it would seem the government should be reimbursed whenever possible.

Contract hospitalization.—The bill includes \$20,583,100 for this purpose, which is the amount of the original budget estimate and \$2,800,000 in excess of the revised estimate. In providing an additional sum in excess of the revised budget the committee feels that it will be an economy to contract for vacant beds in other Federal hospitals rather than build more VA hospitals at an approximate cost of \$20,000 per bed. Where there are beds available in the Army, Navy, Public Health Service and other hospitals the committee authorizes and directs the Veterans Administration to make use of such facilities. Examples of this situation exists in Philadelphia, San Diego, and in Queens County, New York. The committee specifically requests that the VA make full use of facilities in these three areas.

Maintenance and operation of domiciliary facilities.—The bill includes \$24,248,200 for the operation of domiciliary facilities which is the amount of the revised budget and is \$2,200,748 more than the current fiscal year. It is estimated that 17,000 inmates will be domiciled in these homes during the fiscal year 1954.

Out-patient care.—The committee recommends \$92,677,900 for out-patient care which is \$11,105,000 more than the revised estimate and \$4,148,428 less than the current fiscal year. Of the sum recommended \$23,000,000 is provided for out-patient dental care. It is the opinion of the committee that much more dental service can be provided by the dental staff of VA, thus reducing the amount required for out-patient service. The patient treatment rate per dentist is low and the number of dentists doing paper work is excessive. This

situation becomes particularly serious when it is realized that the Congress was compelled, recently, to pass a law drafting doctors and dentists for military service.

Compensation and pensions.—The bill includes \$2,246,291,000 for payment of compensation and pensions to veterans of the various wars and to beneficiaries in accordance with the laws enacted by the Congress. Also included is the payment of subsistence allowance to disabled veterans under Public Law 16, 78th Congress as amended. The amount recommended is \$195,633,000 less than the current appropriation and \$300,000,000 below the budget estimate. On the basis of a recalculation the committee has reduced the amount recommended. The committee recognizes the fact that funds provided for this purpose are to meet a contractual obligation of the Federal government. If an additional sum is required during the next fiscal year the committee will recommend funds to meet the situation.

Readjustment benefits.—The committee recommends the sum of \$664,311,000 for this purpose, which is \$30,403,800 more than the 1953 appropriation and \$220,651,000 less than the original Budget estimate. The latter reduction consists of \$95,975,000 due to a revised estimate of the program, \$68,676,000 is due to a carry-over in that amount from the fiscal year 1953, and \$56,000,000 represents a saving to be effected by the inclusion in the bill of a provision prohibiting the use of funds for payment to the lender of an amount equivalent to 4 per centum of the loan made or guaranteed in connection with any loan for the purchase or construction of homes, farms, and business property. The major portion of funds recommended for this activity for the fiscal year 1954 is for the payment of tuition, subsistence, supplies and equipment for an estimated average trainee load of 240,000 under Public Law 346, and 400,000 under Public Law 550, 82d Congress.

Military and naval insurance.—The bill includes \$1,496,000 which is the amount of the Budget estimate and \$5,358,000 less than the 1953 appropriation. This appropriation covers payments arising from contracts with World War I veterans for what was known as War Risk Insurance.

Hospital and domiciliary facilities.—The bill includes \$48,867,000 for this purpose, which is a reduction of \$43,501,000 in the Budget estimate. The sum recommended is in line with the policy of the committee to facilitate the construction of NP hospitals. It includes \$23,377,000 for the construction of a 1,000 bed NP hospital at San Francisco, California; \$20,490,000 for a 1,000 bed NP hospital at Topeka, Kansas; and \$5,000,000 for an addition or extension of the existing facilities at Houston, Texas. The latter project would provide 125 NP beds and 125 TB beds. Funds requested in the original budget for two 500 bed hospitals for GM&S patients, one in Washington, D. C., and the other in Cleveland, Ohio, have not been provided in the bill.

Last year the Congress appropriated funds for NP hospitals in Cleveland, Ohio, and in Los Angeles, California. The construction of the five hospitals herein referred to, in the opinion of the committee, should conclude the building program until such time as a re-examination of the entire hospital bed situation can be made. Until such time as a commission or committee has had an opportunity to make the survey and submit its recommendations as to the best use which can be made of all VA and other Federal hospitals, plans for further expansion should be deferred.

Hospital and domiciliary facilities (liquidation of contract authorization).—The Committee recommends an amount of \$21,185,664 for this item for the fiscal year 1954. These funds are for the liquidation of prior year obligations incurred against contract authority.

Major alterations, improvements and repairs.—In line with the policy for elimination of funds for construction and repair wherever possible, the committee has deferred a request in the sum of \$7,344,000 for this purpose for the fiscal year 1954.

National service life insurance.—The Committee recommends the amount of \$75,000,000 for this purpose, which is an increase of \$20,928,000 from the amount of \$54,072,000 appropriated for the fiscal year 1953, and \$29,164,000 in excess of the budget estimate. The original Budget estimate of \$45,836,000 was based on peace-time mortality experience and without regard to losses in Korea. The continued heavy casualties resulting in Korea has necessitated a revision to \$75,000,000. This item covers payment to the National Service Life Insurance Trust Fund to meet obligations sustained by that fund incident to mortality costs on account of deaths traceable to the extra hazards of military or naval service; the cost of waiver of recovery of payments under the provisions of section 609 (a) on national service life insurance policies in accordance with the provisions of Part I, Title VI, Public Law 801, Seventy-sixth Congress; and the payment of benefits directly from and the crediting of premiums directly to the appropriation under the authority of the act as amended, August 1, 1946, Public Law 589, Seventy-ninth Congress.

Servicemen's indemnities.—The bill includes \$18,000,000 for this purpose, which is an increase of \$7,405,000 over the 1953 appropriation and \$3,396,000 in excess of the Budget estimate. The increase in the original request is due to the acceleration of claims awarded each month since the law was enacted and to an increase in the average amount which must be paid beneficiaries because most of the deaths are among persons who entered the service after April 15, 1951, and are covered by the full \$10,000 indemnity.

Veterans miscellaneous benefits.—For this purpose the committee recommends \$35,743,000, which is the Budget estimate and \$17,176,000 in excess of the 1953 appropriation. This appropriation provides for the payment of statutory burials, housing grants for certain disabled veterans, and supplies, equipment and tuition for veterans in training under the provisions of Public Laws 16 and 894.

Grants to the Republic of the Philippines.—The bill contains \$1,731,000 in new funds for this purpose, plus an unobligated balance of \$769,000 in funds provided for the current fiscal year, making a total of \$2,500,000 available for the care and treatment of veterans in the Philippines. The amount provided reflects a reduction of \$1,554,000 under the Budget estimate. The reduction in funds for this purpose is made possible by the fact that the demand for medical care has not materialized at the rate expected when the original estimate was prepared.

Supply fund.—The committee has provided for a revolving supply fund for Veterans Administration effective July 1, 1953. It is essential that this supply fund be made available to the agency because of other action by the committee creating several appropriations for administration and medical care expenses. The fund will be used to finance the purchase of supplies and materials for both depot and station

stocks pending actual use by the hospitals, domiciliaries, out-patient clinics, regional offices, and other stations, and pending determination as to which appropriation is to be charged with the supplies consumed. The creation and use of such supply fund will result in charging the several appropriations with goods consumed, rather than merely charging them with orders placed. This financing plan for supplies will result in improved congressional control over Federal expenditures, and will prevent stockpiling of supplies at a level higher than will exist on June 30, 1953. The stock level at March 31, 1953, was below \$48,000,000. The use of a supply fund will reflect more accurately the cost of operations, and will provide both the Executive and Legislative branches of the Government with more meaningful and dependable information regarding expenditures for operations of the Veterans Administration.

Provision is made to capitalize as part of the fund, all supplies and materials on hand at stations and depots, and to capitalize equipment held at the three VA depots. Equipment at stations other than the three depots will not be made part of this supply fund. Provision is made for making advances from appropriations to the supply fund to provide the cash capital required.

The accounting system for the fund and related financial policies on budgetary control, pricing, costs, accruals, and other matters will be subject to approval by the Comptroller General. Provision is made in the proposed legislation for adequate financial reports and a business type budget.

LIMITATIONS AND LEGISLATIVE PROVISIONS

The following limitations and legislative provisions not heretofore carried in connection with any appropriation bill are recommended:

On page 4, in connection with plant and equipment, Atomic Energy Commission:

Provided further, That in addition to funds allocated for research and development for a reactor which will advance technology towards both ship propulsion and the generation of industrial power and for design of such atomic power reactor, the Commission may expend from funds provided under this head such sum as may be necessary, not to exceed \$7,000,000, for beginning of construction of such reactor, without regard to any other provision of this Act.

On page 4, in connection with plant and equipment, Atomic Energy Commission:

Provided further, That funds appropriated under this head may, whenever the Commission determines a need exists, be used for the construction of particle accelerators without regard to any other provision of this Act:

On page 9, in connection with the Tennessee Valley Authority:

Provided further, That no part of funds available for expenditure by this agency shall be used, directly or indirectly, to acquire a building for use as an administrative office of the Tennessee Valley Authority so long as the amount appropriated annually for the construction of power facilities exceeds the amount deposited annually in the Treasury for repayment of the investment of the Federal Government in the power facilities of the Authority:

On pages 9 and 10, in connection with the Tennessee Valley Authority:

Provided further, That no funds available for expenditure by this agency shall be used for the payment of the salary of any employee in the District of Columbia at a rate in excess of \$8,000 per annum.

On page 11, in connection with maintenance and operation of hospitals, Veterans Administration:

Provided, That the foregoing appropriation is predicated on the staffing and operation of 114,315 beds during the fiscal year 1954, and if a lesser number is provided such appropriation shall be expended only in proportion to the number of beds staffed and operated.

On page 13, in connection with out-patient care, Veterans Administration:

Provided, That no part of this appropriation shall be available for out-patient dental care and treatment, or related dental appliances, when the dental condition or disability being treated is not compensable unless such condition or disability is shown to have been in existence at time of discharge and application for treatment is made within one year after separation from service, or one year after the enactment of this Act, whichever is later: Provided further, That when any such noncompensable dental condition or disability has once been corrected, additional care and treatment therefor may not be provided.

On pages 17 and 18, in connection with a supply fund, Veterans Administration:

Supply fund: For establishment of a revolving supply fund effective July 1, 1953, to be available without fiscal year limitation for all expenses necessary for the operation and maintenance of a supply system for the Veterans Administration including procurement of supplies and equipment, and personal services, the Administrator is authorized to capitalize at fair and reasonable values as determined by him, all supplies and materials and depot stocks of equipment on hand or on order: Provided, That the fund shall be (1) reimbursed for the cost of all services, equipment and supplies furnished appropriations at rates determined by the Administrator on the basis of estimated or actual direct and indirect cost; (2) credited with advances from appropriations to which services or supplies are to be furnished, and all other receipts resulting from the operation of the fund including the proceeds of disposal of scrap, excess or surplus personal property of the fund, and receipts from carriers and others for loss of or damage to personal property: Provided further, That following the close of each fiscal year any net income after making provision for prior losses, if any, shall be covered into the Treasury of the United States as miscellaneous receipts: Provided further, That an adequate system of accounts for the fund shall be maintained on the accrual method and financial reports prepared on the basis of such accounts, and that an annual business type budget shall be prepared for the operations under this fund.

On page 18, in connection with the Veterans Administration:

Not to exceed 5 per centum of any appropriation for the current fiscal year for "Compensation and pensions", "Readjustment benefits", "Military and naval insurance", "National service life insurance", and "Servicemen's indemnities", may be transferred, to any other of the mentioned appropriations.

On page 20, in connection with the Veterans Administration:

The Administrator of Veterans Affairs is hereby authorized in his discretion, to activate and operate at reasonable standards throughout the fiscal year 1954 those beds which are needed and which can be staffed, in the following categories: (a) all beds in Veterans Administration hospital and domiciliary facilities and all contract beds that were in use during the fiscal year 1953, except those replaced or to be replaced by new construction, (b) all beds in Veterans Administration hospital and domiciliary facilities and all contract beds that were closed during the fiscal year 1953, except those replaced or to be replaced by new construction, and (c) all beds in Veterans Administration hospital and domiciliary facilities constructed in the fiscal years 1953 and 1954; provided, that the qualified personnel required for the standard operation and maintenance of such beds can be obtained.

COMPLIANCE WITH RULE XIII—CLAUSE 3

The following is submitted in compliance with Clause 3, of rule XIII:

PENDING BILL

On page 10, line 22, in connection with general operating expenses, Veterans Administration:

Provided further, That effective September 1, 1953, no part of any appropriation shall be used to pay to educational institutions for reports and certifications of attendance at such institutions an allowance at a rate in excess of \$1 per month for each eligible veteran enrolled in and attending such institution.

On page 14, line 9, in connection with readjustment benefits, Veterans Administration:

Provided, That on and after September 1, 1953, no part of any appropriation to the Veterans Administration shall be available, in connection with any loan authorized by title III of the Servicemen's Readjustment Act of 1944, as amended (38 U. S. C. 694-694n), for payment to the lender by the Administrator of Veterans Affairs, or for credit on the loan, of an amount equivalent to 4 per centum of the amount originally loaned, guaranteed or insured by the Veterans Administration: Provided further, That no right to any such payment shall accrue on or after said date, but the foregoing proviso shall not apply with respect to payments based on guarantees made, or certificates of commitments issued, prior to said date.

On page 19, line 17, in connection with the Veterans Administration:

Notwithstanding the provisions of section 6 of Public Law Numbered 2, Seventy-third Congress, as amended (38 U. S. C. 706), the Administrator of Veterans Affairs is authorized to investigate any non-service-connected veterans' statement of inability to defray the cost of hospitalization, treatment, or domiciliary care, where reason exists to doubt the accuracy of such statement; and the Administrator shall make every effort to collect from any veteran hospitalized, cared for, or treated for a non-service-connected disability according to the ability of the veteran to pay for such hospitalization, treatment, or care: Provided further, That inability to pay shall not prevent any veteran from receiving hospitalization, treatment, or domiciliary care, if such veteran is unable to pay and there is a bed available.

EXISTING LAW

Sec. 265 (b), Public Law 550, Eighty-second Congress:

(b) The Administrator shall pay to each educational institution which is required to submit reports and certifications to the Administrator under this title, an allowance at the rate of \$1.50 per month for each eligible veteran enrolled in and attending such institution under the provisions of this title to assist the educational institution in defraying the expense of preparing and submitting such reports and certifications.

Sec. 8, Public Law 268, Seventy-ninth Congress:

* * * An amount equivalent to 4 per centum on the amount originally guaranteed shall be paid to the lender by the Administrator out of available appropriations, to be credited upon the loan.

Public Law 2, Seventy-third Congress, as amended (38 U. S. C. 706):

* * * The statement under oath of the applicant on such form as may be prescribed by the Administrator of Veterans Affairs shall be accepted as sufficient evidence of inability to defray necessary expenses.

**COMPARATIVE STATEMENT OF APPROPRIATIONS FOR 1953, ESTIMATES FOR 1954, AND AMOUNTS
RECOMMENDED IN THE BILL FOR 1954**

Corporation or agency	Appropriations, 1953	Budget estimates, 1954	Recommended in bill for 1954	Bill compared with—	
				1953 appropriations	1954 estimates
ATOMIC ENERGY COMMISSION					
Operating expenses-----	1 \$797,080,500	\$1,156,418,000	\$891,781,000	+\$94,700,500	—\$264,637,000
Plant and equipment-----	2 3,270,541,000	436,371,000	166,000,000	—3,104,541,000	—270,371,000
Liquidation of contract authority-----	57,000,000	-----	-----	—57,000,000	-----
Total, Atomic Energy Commission--	4,124,621,500	1,592,789,000	1,057,781,000	—3,066,840,500	—535,008,000
SELECTIVE SERVICE SYSTEM-----	36,772,000	34,400,000	29,882,400	—6,889,600	—4,517,600
TENNESSEE VALLEY AUTHORITY-----	3 336,027,000	254,355,000	188,371,000	—147,656,000	—65,984,000
VETERANS ADMINISTRATION					
Administration, medical, hospital, and domiciliary services-----	4 853,382,260	921,100,000	0	—853,382,260	—921,100,000
General operating expenses-----	(5)	(5)	193,531,000	+193,531,000	+193,531,000
Medical administration and miscellaneous operating expenses-----	(5)	(5)	14,870,400	+14,870,400	+14,870,400
Maintenance and operation of hospitals-----	(5)	(5)	6 548,000,000	+548,000,000	+548,000,000
Contract hospitalization-----	(5)	(5)	20,583,100	+20,583,100	+20,583,100
Maintenance and operation of domiciliary facilities-----	(5)	(5)	24,248,200	+24,248,200	+24,248,200

	(⁵)	(⁶)	92, 677, 900	+ 92, 677, 900	+ 92, 677, 900
Outpatient care-----					
Maintenance and operation of supply depots-----	(⁵)	(⁶)	1, 800, 000	+ 1, 800, 000	+ 1, 800, 000
Compensation and pensions-----	⁷ 2, 441, 924, 000	2, 546, 291, 000	2, 246, 291, 000	- 195, 633, 000	- 300, 000, 000
Readjustment benefits-----	⁸ 633, 907, 200	884, 962, 000	664, 311, 000	+ 30, 403, 800	- 220, 651, 000
Military and naval insurance-----	6, 854, 000	1, 496, 000	1, 496, 000	- 5, 358, 000	-----
Hospital and domiciliary facilities-----	49, 791, 000	92, 368, 000	48, 867, 000	- 924, 000	- 43, 501, 000
Hospital and domiciliary facilities (liquidation of contract authorization)-----	59, 000, 000	21, 185, 664	21, 185, 664	- 37, 814, 336	-----
Major alterations, improvements, and repairs-----	8, 750, 000	7, 344, 000	0	- 8, 750, 000	- 7, 344, 000
National service life insurance-----	54, 072, 000	⁹ 45, 836, 000	75, 000, 000	+ 20, 928, 000	+ 29, 164, 000
Servicemen's indemnities-----	¹⁰ 10, 595, 000	¹¹ 14, 604, 000	18, 000, 000	+ 7, 405, 000	+ 3, 396, 000

¹ Includes \$88,094,000 contained in the Supplemental Appropriation Act, 1953.

² Includes \$2,898,800,000 contained in the Supplemental Appropriation Act, 1953.

³ Includes \$150,000,000 contained in the Supplemental Appropriation Act, 1953.

⁴ And \$12,500,000 of 1952 funds continued available. Amount includes \$10,000,000 contained in the Second Supplemental Appropriation Act, 1953.

⁵ Consolidated in the foregoing appropriation.

⁶ And in addition \$7,000,000 from reimbursements for services performed for other Government agencies and individuals.

⁷ Includes \$237,573,000 contained in the Second Supplemental Appropriation Act, 1953.

⁸ Includes \$75,000,000 contained in the Second Supplemental Appropriation Act, 1953.

⁹ Revised budget estimate is \$75,000,000.

¹⁰ Includes \$2,000,000 contained in the Second Supplemental Appropriation Act, 1953.

¹¹ Revised budget estimate is \$18,000,000.

Comparative statement of appropriations for 1953, estimates for 1954, and amounts recommended in the bill for 1954—Con.

Corporation or agency	Appropriations, 1953	Budget estimates, 1954	Recommended in bill for 1954	Bill compared with—	
				1953 appropriations	1954 estimates
VETERANS ADMINISTRATION—continued					
Veterans' miscellaneous benefits-----	¹² \$18, 567, 000	\$35, 743, 000	\$35, 743, 000	+\$17, 176, 000	-----
Grants to the Republic of the Philippines--	¹³ 2, 861, 500	3, 285, 000	¹⁴ 1, 731, 000	-1, 130, 500	-\$1, 554, 000
Automobiles and other conveyances for disabled veterans-----	5, 000, 000	-----	-----	-5, 000, 000	-----
Total, Veterans Administration.----	4, 144, 703, 960	4, 574, 214, 664	4, 008, 335, 264	-136, 368, 696	-565, 879, 400
Total, independent offices-----	8, 642, 124, 460	6, 455, 758, 664	5, 284, 369, 664	-3, 357, 754, 796	-1, 171, 389, 000

¹² Includes \$1,361,000 contained in the Second Supplemental Appropriation Act, 1953.

¹³ Includes \$1,000,000 contained in the Second Supplemental Appropriation Act, 1953.

¹⁴ And reappropriation of \$769,000 of prior year unobligated balances.

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83^d CONGRESS
1ST SESSION

Union Calendar No. 193
H. R. 5690

[Report No. 550]

IN THE HOUSE OF REPRESENTATIVES

JUNE 11, 1953

Mr. PHILLIPS, from the Committee on Appropriations, reported the following bill; which was committed to the Committee of the Whole House on the State of the Union and ordered to be printed

A BILL

Making appropriations for additional independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1954, and for other purposes.

- 1 *Be it enacted by the Senate and House of Representa-*
- 2 *tives of the United States of America in Congress assembled,*
- 3 That the following sums are appropriated, out of any money
- 4 in the Treasury not otherwise appropriated, for sundry
- 5 independent executive bureaus, boards, commissions, cor-

1 porations, agencies, and offices, for the fiscal year ending
2 June 30, 1954, namely:

3 ATOMIC ENERGY COMMISSION

4 Operating expenses: For necessary operating expenses
5 of the Commission in carrying out the purposes of the
6 Atomic Energy Act of 1946, including the employment of
7 aliens; services authorized by section 15 of the Act of August
8 2, 1946 (5 U. S. C. 55a) ; maintenance and operation of
9 aircraft; publication and dissemination of atomic informa-
10 tion; purchase, repair, and cleaning of uniforms; purchase
11 of newspapers and periodicals (not to exceed \$5,000) ; official
12 entertainment expenses (not to exceed \$5,000) ; not to
13 exceed \$2,389,130 for expenses of travel; reimbursement
14 of the General Services Administration for security guard
15 services; not to exceed \$27,352,000 for program direction
16 and administration personnel; and hire of passenger motor
17 vehicles; \$891,781,000, together with the unexpended
18 balances, as of June 30, 1953, of prior year appropriations
19 made available under this head to the Atomic Energy Com-
20 mission: *Provided*, That of such amounts \$100,000 may be
21 expended for objects of a confidential nature and in any
22 such case the certificate of the Commission as to the amount
23 of the expenditure and that it is deemed inadvisable to specify
24 the nature thereof shall be deemed a sufficient voucher for
25 the sum therein expressed to have been expended: *Provided*

1 *further*, That from this appropriation transfers of sums may
2 be made to other agencies of the Government for the per-
3 formance of the work for which this appropriation is made,
4 and in such cases the sums so transferred may be merged
5 with the appropriation to which transferred: *Provided*
6 *further*, That no part of this appropriation shall be used
7 to pay the salary of any officer or employee (except such
8 officers and employees whose compensation is fixed by law,
9 and scientific and technical personnel) whose position would
10 be subject to the Classification Act of 1949, as amended,
11 if such Act were applicable to such position, at a rate in
12 excess of the rate payable under such Act for positions of
13 equivalent difficulty or responsibility: *Provided further*,
14 That no part of this appropriation shall be used in connec-
15 tion with the payment of a fixed fee to any contractor or
16 firm of contractors engaged under a cost-plus-a-fixed-fee
17 contract or contracts at any installation of the Commission,
18 where that fee for community management is at a rate in
19 excess of \$90,000 per annum, or for the operation of a
20 transportation system where that fee is at a rate in excess
21 of \$45,000 per annum.

22 Plant and equipment: For expenses of the Commission
23 in connection with the purchase and construction of plant
24 and the acquisition of equipment and other expenses inci-
25 dental thereto necessary in carrying out the purposes of the

1 Atomic Energy Act of 1946, including purchase of land and
2 interests in land; purchase of aircraft; and hire of passenger
3 motor vehicles; \$166,000,000, to remain available until ex-
4 pended: *Provided*, That the unexpended balances of prior
5 year appropriations made available under this head shall be
6 merged with this appropriation: *Provided further*, That in
7 addition to funds allocated for research and development for
8 a reactor which will advance technology towards both ship
9 propulsion and the generation of industrial power and for
10 design of such atomic power reactor, the Commission may
11 expend from funds provided under this head such sum as
12 may be necessary, not to exceed \$7,000,000, for beginning
13 of construction of such reactor, without regard to any other
14 provision of this Act: *Provided further*, That funds ap-
15 propriated under this head may, whenever the Commission
16 determines a need exists, be used for the construction
17 of particle accelerators without regard to any other provision
18 of this Act: *Provided further*, That no part of the foregoing
19 appropriation shall be available for the construction of any
20 office building, residence, warehouse or similar structure,
21 utility, or other specific portion or unit of a project, unless
22 funds are available for the completion of such building,
23 utility, or other specific portion or unit of such project. The
24 foregoing proviso shall not be construed to prevent the pur-
25 chase of land for any project, the construction of any new

1 building or procurement of any machinery, equipment or
2 materials therefor, nor any utility nor any portion or unit
3 of a specific project if the funds are available to pay the cost
4 of such land, the cost of such building, machinery, equip-
5 ment or materials, or the cost of such utility or the cost of
6 any such specific portion or unit of such project: *Provided*
7 *further*, That no part of this appropriation shall be used—

8 (A) to start any new construction project for which
9 an estimate was not included in the budget for the cur-
10 rent fiscal year; and

11 (B) to start any new construction project the cur-
12 rently estimated cost of which exceeds by thirty-five per
13 centum the estimated cost included therefor in such
14 budget.

15 No part of the appropriations herein made to the Atomic
16 Energy Commission shall be available for payments under
17 any contract hereafter negotiated without advertising by the
18 Commission, except contracts with any foreign government
19 or any agency thereof and contracts for source material with
20 foreign producers, unless such contract includes a clause
21 to the effect that the Comptroller General of the United
22 States or any of his duly authorized representatives shall
23 until the expiration of three years after final payment have
24 access to and the right to examine any directly pertinent
25 books, documents, papers, and records of the contractor or

1 any of his subcontractors engaged in the performance of and
2 involving transactions related to such contracts or subcon-
3 tracts: *Provided*, That no part of such appropriations shall
4 be available for payments under any such contract which
5 includes any provision precluding an audit by the General
6 Accounting Office of any transaction under such contract.

7 Any appropriation available under this Act or hereto-
8 fore made to the Atomic Energy Commission may initially
9 be used during the fiscal year 1954 to finance the procure-
10 ment of materials, services, or other costs which are a
11 part of work or activities for which funds have been pro-
12 vided in any other appropriation available to the Com-
13 mission: *Provided*, That appropriate transfers or adjustments
14 between such appropriations shall subsequently be made for
15 such costs on the basis of actual application determined in
16 accordance with generally accepted accounting principles.

17 No part of any appropriation herein made to the Atomic
18 Energy Commission shall be used to confer a fellowship
19 on any person who advocates or who is a member of an
20 organization or party that advocates the overthrow of the
21 Government of the United States by force or violence or with
22 respect to whom the Commission finds, upon investigation
23 and report by the Civil Service Commission on the character,
24 associations, and loyalty of whom, that reasonable grounds

1 exist for belief that such person is disloyal to the Government
2 of the United States: *Provided*, That any person who advo-
3 cates or who is a member of an organization or party that
4 advocates the overthrow of the Government of the United
5 States by force or violence and accepts employment or a
6 fellowship the salary, wages, stipend, grant, or expenses for
7 which are paid from any appropriation contained herein
8 shall be guilty of a felony and, upon conviction, shall be
9 fined not more than \$1,000 or imprisoned for not more than
10 one year, or both: *Provided further*, That the above penal
11 clause shall be in addition to, and not in substitution for, any
12 other provisions of existing law.

13 SELECTIVE SERVICE SYSTEM

14 SALARIES AND EXPENSES

15 For expenses necessary for the operation and mainte-
16 nance of the Selective Service System, as authorized by title
17 I of the Universal Military Training and Service Act (62
18 Stat. 604), as amended, including services as authorized by
19 section 15 of the Act of August 2, 1946 (5 U. S. C. 55a) ;
20 not to exceed \$250 for the purchase of newspapers and pe-
21 riodicals; not to exceed \$80,000 for expenses of travel, Na-
22 tional Administration, Planning, Training, and Records Man-
23 agement; not to exceed \$200,000 for expenses of travel,
24 State Administration, Planning, Training, and Records Serv-

1 icing; \$92,500 for the National Selective Service Appeal
2 Board, of which not to exceed \$3,875 shall be available for
3 expenses of travel; and \$265,000 for the National Advisory
4 Committee on the Selection of Doctors, Dentists, and Allied
5 Specialists, of which not to exceed \$35,000 shall be avail-
6 able for expenses of travel; \$29,882,400: *Provided*, That
7 during the current fiscal year, the President may exempt
8 this appropriation from the provisions of subsection (c) of
9 section 3679 of the Revised Statutes, as amended, whenever
10 he deems such action to be necessary in the interest of
11 national defense.

12 Appropriations for the Selective Service System may be
13 used for the destruction of records accumulated under the
14 Selective Training and Service Act of 1940, as amended,
15 which are hereby authorized to be destroyed by the Director
16 of Selective Service after compliance with the procedures for
17 the destruction of records prescribed pursuant to the Records
18 Disposal Act of 1943, as amended (44 U. S. C. 366-380) :
19 *Provided*, That no records may be transferred to any other
20 agency without the approval of the Director of Selective
21 Service.

22 TENNESSEE VALLEY AUTHORITY

23 For the purpose of carrying out the provisions of the
24 Tennessee Valley Authority Act of 1933, as amended (16

1 U. S. C., ch. 12A), including purchase (not to exceed one)
2 and hire, maintenance, and operation of aircraft, and hire of
3 passenger motor vehicles, \$188,371,000, to remain available
4 until expended, and to be available for the payment of obliga-
5 tions chargeable against prior appropriations: *Provided*, That
6 no funds appropriated for the Tennessee Valley Authority by
7 this paragraph shall be used for the maintenance or operation
8 of any aircraft for passenger service that is not specifically
9 confined to the active operation of the official business of the
10 Tennessee Valley Authority by officers or employees of such
11 Authority, and not to exceed \$773,000 (exclusive of travel
12 for work in connection with the construction of transmission
13 lines, dams, and steam plants) of funds available to the
14 Tennessee Valley Authority shall be used for expenses of
15 travel: *Provided further*, That no part of funds available for
16 expenditure by this agency shall be used, directly or in-
17 directly, to acquire a building for use as an administrative
18 office of the Tennessee Valley Authority so long as the
19 amount appropriated annually for the construction of power
20 facilities exceeds the amount deposited annually in the Treas-
21 ury for repayment of the investment of the Federal Govern-
22 ment in the power facilities of the Authority: *Provided*
23 *further*, That no funds available for expenditure by this

1 agency shall be used for the payment of the salary of any
2 employee in the District of Columbia at a rate in excess of
3 \$8,000 per annum.

4 REDUCTION IN APPROPRIATION

5 The sum of \$66,000 heretofore appropriated for con-
6 struction of a combination fertilizer facility is hereby carried
7 to the surplus fund and covered into the Treasury immediately
8 upon the approval of this Act.

9 VETERANS ADMINISTRATION

10 General operating expenses: For necessary operating
11 expenses of the Veterans Administration, not otherwise
12 provided for, including expenses incidental to securing em-
13 ployment for war veterans; not to exceed \$6,000 for news-
14 papers and periodicals; not to exceed \$2,675,720 for ex-
15 penses of travel of employees; and not to exceed \$43,700
16 for preparation, shipment, installation, and display of exhibits,
17 photographic displays, moving pictures, and other visual
18 educational information and descriptive material, including
19 purchase or rental of equipment; \$193,531,000: *Provided*,
20 That no part of this appropriation shall be used to pay in
21 excess of twenty-six persons engaged in public relations
22 work: *Provided further*, That effective September 1, 1953,
23 no part of any appropriation shall be used to pay to educa-
24 tional institutions for reports and certifications of attendance
25 at such institutions an allowance at a rate in excess of \$1

1 per month for each eligible veteran enrolled in and attending
2 such institution.

3 Medical administration and miscellaneous operating
4 expenses: For expenses necessary for administration of the
5 medical, hospital, domiciliary, special service, construction
6 and supply, research, and employee education and training
7 activities; expenses necessary for carrying out programs of
8 medical research and of education and training of employees,
9 as authorized by law; repairs, alterations, and improvements
10 of facilities for regional offices and supply depots, as author-
11 ized by law; and not to exceed \$753,800 for expenses of
12 travel of employees paid from this appropriation;
13 \$14,870,400.

14 Maintenance and operation of hospitals: For expenses
15 necessary for maintenance and operation of hospitals, includ-
16 ing the furnishing of recreational articles and facilities; not
17 to exceed \$270,000 for expenses of travel of employees;
18 and maintenance and operation of farms; \$555,000,000, in-
19 cluding the sum of \$7,000,000 for reimbursable services per-
20 formed for other government agencies and individuals: *Pro-*
21 *vided*, That the foregoing appropriation is predicated on the
22 staffing and operation of 114,315 beds during the fiscal year
23 1954, and if a lesser number is provided such appropriation
24 shall be expended only in proportion to the number of beds
25 staffed and operated.

1 Contract hospitalization: For care and treatment of
2 beneficiaries of the Veterans Administration in facilities
3 not under the jurisdiction of the Veterans Administration,
4 as authorized by law, \$20,583,100: *Provided*, That allot-
5 ments and transfers may be made from this appropriation to
6 the Department of Health, Education, and Welfare (Public
7 Health Service), the Army, Navy, Air Force, and Interior
8 Departments, for disbursement by them under the various
9 headings of their applicable appropriations, of such amounts
10 as are necessary for the care and treatment of beneficiaries
11 of the Veterans Administration.

12 Maintenance and operation of domiciliary facilities:
13 For expenses necessary for the maintenance and operation
14 of domiciliary facilities, including recreational articles and
15 facilities, and not to exceed \$3,200 for expenses of travel
16 of employees; and aid to State or Territorial homes in con-
17 formity with the Act approved August 27, 1888, as amended
18 (24 U. S. C. 134), for the support of veterans eligible for
19 admission to Veterans Administration facilities for hospital
20 or domiciliary care; \$24,248,200.

21 Out-patient care: For expenses necessary for furnish-
22 ing out-patient care to beneficiaries of the Veterans Ad-
23 ministration, as authorized by law, including not to exceed
24 \$190,140 for expenses of travel of employees; \$92,677,900,
25 of which not exceeding \$23,000,000 shall be available for

1 out-patient dental care: *Provided*, That no part of this appro-
2 priation shall be available for out-patient dental care and
3 treatment, or related dental appliances, when the dental
4 condition or disability being treated is not compensable, unless
5 such condition or disability is shown to have been in exist-
6 ence at time of discharge and application for treatment is
7 made within one year after separation from service, or one
8 year after the enactment of this Act, whichever is later:
9 *Provided further*, That when any such noncompensable
10 dental condition or disability has once been corrected, addi-
11 tional care and treatment therefor may not be provided.

12 Maintenance and operation of supply depots: For ex-
13 penses necessary for maintenance and operation of supply
14 depots, including not to exceed \$13,000 for expenses of
15 travel of employees, \$1,800,000.

16 Compensation and pensions: For the payment of com-
17 pensation, pensions, gratuities, and allowances (including
18 subsistence allowances authorized by part VII of Veterans
19 Regulation 1a, as amended), authorized under any Act of
20 Congress, or regulation of the President based thereon,
21 including emergency officers' retirement pay and annuities,
22 the administration of which is now or may hereafter be
23 placed in the Veterans Administration, and for the payment
24 of adjusted-service credits as provided in sections 401 and

1 601 of the Act of May 19, 1924, as amended (38 U. S. C.
2 631 and 661), \$2,246,291,000, to be immediately avail-
3 able and to remain available until expended.

4 Readjustment benefits: For the payment of benefits to
5 or on behalf of veterans as authorized by titles II, III, and
6 V, of the Servicemen's Readjustment Act of 1944, as
7 amended, and title II of the Veterans Readjustment Assist-
8 ance Act of 1952, \$664,311,000, to be immediately avail-
9 able and to remain available until expended: *Provided*,
10 That on and after September 1, 1953, no part of any
11 appropriation to the Veterans Administration shall be
12 available, in connection with any loan authorized by title
13 III of the Servicemen's Readjustment Act of 1944, as
14 amended (38 U. S. C. 694-694n), for payment to the
15 lender by the Administrator of Veterans Affairs, or for
16 credit on the loan, of an amount equivalent to 4 per centum
17 of the amount originally loaned, guaranteed or insured by
18 the Veterans Administration: *Provided further*, That no right
19 to any such payment shall accrue on or after said date, but
20 the foregoing proviso shall not apply with respect to pay-
21 ments based on guarantees made, or certificates of commit-
22 ments issued, prior to said date.

23 Military and naval insurance: For military and naval
24 insurance, \$1,496,000, to remain available until expended.

25 Hospital and domiciliary facilities: For hospital and

1 domiciliary facilities, for extending, with the approval of
2 the President, any of the facilities under the jurisdiction of
3 the Veterans Administration or for any of the purposes
4 set forth in sections 1 and 2 of the Act approved March 4,
5 1931 (38 U. S. C. 438j-k) or in section 101 of the
6 Servicemen's Readjustment Act of 1944 (38 U. S. C.
7 693a), to remain available until expended, \$48,867,000:
8 *Provided*, That no part of the foregoing appropriation shall
9 be used to commence any major alteration, improvement, or
10 repair unless funds are available for the completion of such
11 work; and no funds shall be used for such work at any facility
12 if the Veterans Administration is reasonably certain that the
13 installation will be abandoned in the near future: *Provided*
14 *further*, That not to exceed 5.5 per centum of the amounts
15 available under this head shall be available for the employ-
16 ment of all necessary technical and clerical personnel for the
17 preparation of plans and specifications for the projects as
18 approved hereunder and in the supervision of the execution
19 thereof, and for all travel expenses, field office equipment,
20 and supplies in connection therewith, except that whenever
21 the Veterans Administration finds it necessary in the con-
22 struction of any project to employ other Government agencies
23 or persons outside the Federal service to perform such serv-
24 ices not to exceed 9 per centum of the cost of such projects
25 may be expended for such services.

1 Hospital and domiciliary facilities (liquidation of con-
2 tract authorization) : For payment of obligations heretofore
3 authorized to be incurred under this head, \$21,185,664, to
4 remain available until expended.

5 National service life insurance: For the payment of
6 benefits and for transfer to the national service life insurance
7 fund, in accordance with the National Service Life Insurance
8 Act of 1940, as amended, \$75,000,000, to remain available
9 until expended: *Provided*, That certain premiums shall be
10 credited to this appropriation as provided by the Act.

11 Servicemen's indemnities: For payment of liabilities
12 under the Servicemen's Indemnity Act of 1951, \$18,000,-
13 000, to remain available until expended.

14 Veterans miscellaneous benefits: For the payment of
15 burial awards authorized by Veterans Administration Regu-
16 lation Numbered 9 (a), as amended, and for supplies, equip-
17 ment, and tuition authorized by part VII and payments
18 authorized by part IX of Veterans Administration Regula-
19 tion Numbered 1 (a), as amended, \$35,743,000, to remain
20 available until expended.

21 Grants to the Republic of the Philippines: For payment
22 to the Republic of the Philippines of grants in accordance
23 with the Act of July 1, 1948 (50 U. S. C. App. 1991-
24 1996), for expenses incident to medical care and treatment
25 of veterans, \$1,731,000, and in addition thereto not exceed-

1 ing \$769,000 of the unobligated balance for this purpose for
2 the fiscal year 1953.

3 Supply fund: For establishment of a revolving supply
4 fund effective July 1, 1953, to be available without fiscal
5 year limitation for all expenses necessary for the operation
6 and maintenance of a supply system for the Veterans Ad-
7 ministration including procurement of supplies and equip-
8 ment, and personal services, the Administrator is authorized
9 to capitalize, at fair and reasonable values as determined by
10 him, all supplies and materials and depot stocks of equip-
11 ment on hand or on order: *Provided*, That the fund shall be
12 (1) reimbursed for the cost of all services, equipment and
13 supplies furnished appropriations at rates determined by the
14 Administrator on the basis of estimated or actual direct and
15 indirect cost; (2) credited with advances from appropria-
16 tions to which services or supplies are to be furnished, and
17 all other receipts resulting from the operation of the fund in-
18 cluding the proceeds of disposal of scrap, excess or surplus
19 personal property of the fund, and receipts from carriers and
20 others for loss of or damage to personal property: *Provided*
21 *further*, That following the close of each fiscal year any net
22 income after making provision for prior losses, if any, shall
23 be covered into the Treasury of the United States as mis-
24 cellaneous receipts: *Provided further*, That an adequate sys-
25 tem of accounts for the fund shall be maintained on the

1 accrual method and financial reports prepared on the basis
2 of such accounts, and that an annual business type budget
3 shall be prepared for the operations under this fund.

4 Not to exceed 5 per centum of any appropriation for the
5 current fiscal year for "Compensation and pensions", "Re-
6 adjustment benefits", "Military and naval insurance", "Na-
7 tional service life insurance", and "Servicemen's indemni-
8 ties", may be transferred, to any other of the mentioned
9 appropriations.

10 Appropriations available to the Veterans Administra-
11 tion for the current fiscal year for salaries and expenses
12 shall be available for services as authorized by section 15
13 of the Act of August 2, 1946 (5 U. S. C. 55a).

14 Appropriations available to the Veterans Administra-
15 tion for the current fiscal year for "Maintenance and opera-
16 tion of hospitals", "Maintenance and operation of domiciliary
17 facilities", and "Out-patient care", shall be available for fu-
18 neral, burial, and other expenses incidental thereto (except
19 burial awards authorized by Veterans Administration Regu-
20 lation Numbered 9 (a), as amended), for beneficiaries of
21 the Veterans Administration receiving care under such
22 appropriations.

23 No part of the appropriations in this Act for the Vet-
24 erans Administration (except the appropriation for "Hos-
25 pital and domiciliary facilities") shall be available for the

1 purchase of any site for or toward the construction of any
2 new hospital or home.

3 Appropriations in this Act for the Veterans Adminis-
4 tration for "Maintenance and operation of hospitals" and
5 "Maintenance and operation of domiciliary facilities" may
6 be used to repair, alter, improve, or provide facilities in the
7 several hospitals and homes under the jurisdiction of the
8 Veterans Administration, not otherwise provided for, either
9 by contract, or by the hire of temporary employees and the
10 purchase of materials.

11 No part of the foregoing appropriations shall be avail-
12 able for hospitalization or examination of any persons except
13 beneficiaries entitled under the laws bestowing such benefits
14 to veterans, unless reimbursement of cost is made to the ap-
15 propriation at such rates as may be fixed by the Administra-
16 tor of Veterans Affairs.

17 Notwithstanding the provisions of section 6 of Public
18 Law Numbered 2, Seventy-third Congress, as amended (38
19 U. S. C. 706), the Administrator of Veterans Affairs is
20 authorized to investigate any non-service-connected veteran's
21 statement of inability to defray the cost of hospitalization,
22 treatment, or domiciliary care, where reason exists to doubt
23 the accuracy of such statement; and the Administrator shall
24 make every effort to collect from any veteran hospitalized,
25 cared for, or treated for a non-service-connected disability

1 according to the ability of the veteran to pay for such hospi-
2 talization, treatment, or care: *Provided further*, That inability
3 to pay shall not prevent any veteran from receiving hospi-
4 talization, treatment, or domiciliary care, if such veteran is
5 unable to pay and there is a bed available.

6 The Administrator of Veterans Affairs is hereby author-
7 ized, in his discretion, to activate and operate at reasonable
8 standards throughout the fiscal year 1954 those beds which
9 are needed and which can be staffed, in the following
10 categories: (a) all beds in Veterans Administration hos-
11 pital and domiciliary facilities and all contract beds that were
12 in use during the fiscal year 1953, except those replaced or
13 to be replaced by new construction, (b) all beds in Veterans
14 Administration hospital and domiciliary facilities and all con-
15 tract beds that were closed during the fiscal year 1953, except
16 those replaced or to be replaced by new construction, and
17 (c) all beds in Veterans Administration hospital and domi-
18 ciliary facilities constructed in the fiscal years 1953 and 1954;
19 provided, that the qualified personnel required for the stand-
20 ard operation and maintenance of such beds can be obtained.

21 GENERAL PROVISIONS

22 SEC. 102. The general provisions applicable to appro-
23 priations contained in title I of the "First Independent Offices
24 Appropriation Act, 1954", shall apply to appropriations
25 contained in this Act, excepting the Tennessee Valley

1 Authority: *Provided*, That the provisions of Section 102
2 of such Act shall not apply to travel performed by members
3 of local draft boards of the Selective Service System.

4 SEC. 103. No part of any appropriation contained
5 in this Act, or of the funds available for expenditure by any
6 corporation included in this Act, shall be used to pay the
7 salary or wages of any person who engages in a strike
8 against the Government of the United States or who is a
9 member of an organization of Government employees that
10 asserts the right to strike against the Government of the
11 United States, or who advocates, or is a member of an
12 organization that advocates, the overthrow of the Govern-
13 ment of the United States by force or violence: *Provided*,
14 That for the purposes hereof an affidavit shall be considered
15 prima facie evidence that the person making the affidavit
16 has not contrary to the provisions of this section engaged in
17 a strike against the Government of the United States, is
18 not a member of an organization of Government employees
19 that asserts the right to strike against the Government of the
20 United States, or that such person does not advocate, and is
21 not a member of an organization that advocates, the over-
22 throw of the Government of the United States by force or
23 violence: *Provided further*, That any person who engages
24 in a strike against the Government of the United States
25 or who is a member of an organization of Government

1 employees that asserts the right to strike against the Govern-
2 ment of the United States, or who advocates, or who is a
3 member of an organization that advocates, the overthrow
4 of the Government of the United States by force or violence
5 and accepts employment the salary or wages for which are
6 paid from any appropriation or fund contained in this Act
7 shall be guilty of a felony and, upon conviction, shall be
8 fined not more than \$1,000 or imprisoned for not more than
9 one year, or both: *Provided further*, That the above penalty
10 clause shall be in addition to, and not in substitution for, any
11 other provisions of existing law.

12 SEC. 104. No part of any appropriation contained in
13 this Act, or of the funds available for expenditure by any
14 corporation or agency included in this Act, shall be used
15 for publicity or propaganda purposes designed to support
16 or defeat legislation pending before the Congress.

17 SEC. 105. (a) No part of the money appropriated by
18 this Act to any department, agency, or corporation or
19 available for expenditure by any department, agency, or
20 corporation which is in excess of 75 per centum of the
21 amount required to pay the compensation of all persons
22 the budget estimates for personal services heretofore sub-
23 mitted to the Congress for the fiscal year 1954 contemplated
24 would be employed by such department, agency, or
25 corporation during such fiscal year in the performance of—

(1) functions performed by a person designated as an information specialist, information and editorial specialist, publications and information coordinator, press relations officer or counsel, photographer, radio expert, television expert, motion picture expert, or publicity expert, or designated by any similar title, or

(2) functions performed by persons who assist persons performing the functions described in (1) in drafting, preparing, editing, typing, duplicating, or disseminating public information publications or releases, radio or television scripts, magazine articles, photographs, motion pictures, and similar material,

shall be available to pay the compensation of persons performing the functions described in (1) or (2).

SEC. 106. This Act may be cited as the "Second Independent Offices Appropriation Act, 1954".

83d CONGRESS
1ST SESSION

H. R. 5690

[Report No. 550]

A BILL

Making appropriations for additional independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1954, and for other purposes.

By Mr. PHILLIPS

JUNE 11, 1953

Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued June 12, 1953
For actions of June 11, 1953
83rd-1st, No. 107

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HIGHLIGHTS: Senate completed final congressional action on Treasury-Post Office appropriation bill. Sen. Thye urged consideration of his bill providing surplus feed and food grains to Holland. Senate committee reported flammable fabrics bill. House reported 2nd independent offices appropriation bill. House sent economic controls bill to conference. House committee ordered reported mutual security extension bill. House agreed to resolution providing \$50,000 for agriculture investigations. Sen. Schoepfel introduced and discussed bill authorizing CCC to transfer surplus commodities to MSA.

HOUSE

1. AGRICULTURE INVESTIGATIONS. Agreed, without amendment, to H. Res. 213, to provide \$50,000 for studies and investigations by the Agriculture Committee (p. 6637). The House Administration Committee had previously reported this resolution (H. Rept. 545) (p. 6655).
2. APPROPRIATIONS. The Appropriations Committee reported without amendment H.R. 5690, second independent offices appropriation bill for 1954 (H. Rept. 550) (p. 6655). Rep. Yates received permission to file minority views on this bill (p. 6638).
3. ECONOMIC CONTROLS. Reps. Wolcott, Gamble, Talle, Kilburn, Spence, Brown (Ga.), and Patman were appointed as conferees for S. 1081, authorizing temporary economic controls (pp. 6637-38). Senate conferees were appointed on June 10.
4. FOREIGN AID. The Foreign Affairs Committee ordered reported (but did not actually report) the proposed mutual security extension bill. The "Daily Digest" states that, in addition to structural amendments, the committee cut \$476,000,000 from the proposed \$5,474,732,500, reporting the bill out at \$4,998,732,500. The cuts were: \$100 million from sec. 101 (a) (1)--Europe, \$100 million from Sec. 201--Near East and Africa; \$100 million for defense support in Europe, \$150 million for special weapons, \$25 million for basic materials, and \$1 million for ocean freight (p. D545).
5. PUBLIC BUILDINGS. The Public Works Committee reported with amendment H.R. 5406, authorizing GSA to acquire Federal title to real property and to provide for the construction of certain public buildings for housing Federal agencies by

executing purchase contracts (H. Rept. 552) (p. 6655).

6. FLAG. Passed as reported S. 604, prohibiting display of other flags in equal or superior prominence to the U. S. flag except under specified circumstances (pp. 6644-46).
7. WAR POWERS. The Judiciary Committee ordered reported (but did not actually report) H.R. 2557, to extend title 2 of the First War Powers Act (contract authority of the President) through June 30, 1954 (p. D545).
8. DISASTER AREA. Agreed to H. Res. 276, providing for Federal aid to Massachusetts by classifying certain tornado devastated areas as disaster areas (pp. 6641-44).
9. FOREIGN TRADE. The purposes of H.R. 5495, extending the President's authority to enter into reciprocal trade agreements, as stated in the committee's report are:
 - "1. Extend until June 12, 1954, the authority of the President under section 350 of the Tariff Act of 1930, as amended, to enter into trade agreements as requested by the President;
 - "2. Reduce from 1 year to 9 months the period within which the Tariff Commission must make its investigation and report on applications for relief under the escape clause;
 - "3. Increase the membership of the Tariff Commission from 6 to 7; and
 - "4. Establish a temporary bipartisan commission to be known as the 'Commission on Foreign Economic Policy' which will provide the mechanism for a thorough examination of our foreign economic policy as recommended by the President."
10. ADJOURNED until Mon., June 15 (p. 6655). Legislative Program as stated by the Majority Leader: Mon., Consent Calendar, H.R. 5495, reciprocal trade agreements extension bill, and H.R. 5451, wheat marketing quota bill; Tues., Private Calendar and H.R. 5690, second independent offices appropriation bill which is expected to be passed on Wed., after which the legislative appropriation bill and H.R. 3203, the trip leasing bill, will be considered (p. 6638).

SENATE

11. APPROPRIATIONS. Passed without amendment H.R. 5174, the Treasury-Post Office appropriation bill for 1954 (pp. 6592-6600). This bill will now be sent to the President.
12. FLAMMABLE FABRICS. The Interstate and Foreign Commerce Committee reported without amendment H.R. 5069, prohibiting interstate commerce of wearing apparel and fabrics which are so highly flammable as to be dangerous when worn by individuals (S. Rept. 400) (p. 6589).
13. RESEARCH. The Labor and Public Welfare Committee reported with amendment S. 977, which would amend the National Science Foundation Act so as to provide for an "open-end" authorization (S. Rept. 396) (p. 6589).
14. FOREIGN AID. Sen. Thye spoke favoring transfer of surplus wheat to Pakistan, and urged consideration of S. 847, providing shipment of surplus feed and food grains to Holland (p. 6590).
15. INTEREST RATES. Sens. Kerr, Capehart, Bush, and others, discussed the effects of increased interest rates on our economy (pp. 6600-22), and Sen. Bush

H. R. 4550. An act to amend the Code of Laws of the District of Columbia in respect to the recording, in the Office of the Recorder of Deeds, of bills of sale, mortgages, deeds of trust, and conditional sales of personal property; and

H. J. Res. 157. Joint resolution to amend the act of July 1, 1947 (61 Stat. 242), as amended.

ADJOURNMENT

Mr. CUNNINGHAM. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 1 o'clock and 57 minutes p. m.), under its previous order, the House adjourned until Monday, June 15, 1953, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

765. A letter from the Acting Secretary of the Interior, transmitting a copy of an order canceling certain charges existing as debts to the United States by individual Indians and tribes of Indians, pursuant to the act of July 1, 1932 (47 Stat. 564); to the Committee on Interior and Insular Affairs.

766. A letter from the Comptroller General of the United States, transmitting a report on the audit of the Institute of Inter-American Affairs for the fiscal year ended June 30, 1952, pursuant to the Government Corporation Control Act (31 U. S. C. 841) (H. Doc. No. 172); to the Committee on Government Operations and ordered to be printed.

767. A letter from the Administrator, General Services Administration, transmitting a copy of a notice to be published in the Federal Register of a proposed disposition of obsolescent drugs now held in the national stockpile, pursuant to section 3 (e) of the Strategic and Critical Materials Stock Piling Act (60 Stat. 596, 50 U. S. C. 98b (e)); to the Committee on Armed Services.

768. A letter from the Secretary of State, transmitting a draft of a proposed bill entitled "A bill to amend the International Claims Settlement Act of 1949"; to the Committee on Foreign Affairs.

769. A letter from the Archivist of the United States, transmitting a report on records proposed for disposal and lists or schedules covering records proposed for disposal by certain Government agencies; to the Committee on House Administration.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. BISHOP: Committee on House Administration. House Resolution 213. Resolution to provide funds for the expenses of the studies and investigations authorized by House Resolution 161; without amendment (Rept. No. 545). Referred to the House Calendar.

Mr. BISHOP: Committee on House Administration. House Resolution 270. Resolution to provide funds for necessary expenses of the Committee on the District of Columbia; without amendment (Rept. No. 546). Referred to the House Calendar.

Mr. BISHOP: Committee on House Administration. House Resolution 254. Reso-

lution providing for compensation for the services of an assistant file clerk; without amendment (Rept. No. 547). Referred to the House Calendar.

Mr. SCHENCK: Committee on House Administration. House Resolution 158. Resolution authorizing the printing of additional copies of the report of the Select Committee on Small Business entitled "Review of Small Business" (H. Rept. No. 2513, 82d Cong.); with amendment (Rept. No. 548). Referred to the House Calendar.

Mr. SCHENCK: Committee on House Administration. House Resolution 183. Resolution authorizing the printing of additional copies of House Report No. 2510, 82d Congress, the report of the Select Committee on Current Pornographic Material; with amendment (Rept. No. 549). Referred to the House Calendar.

Mr. PHILLIPS: Committee on Appropriations. H. R. 5690. A bill making appropriations for additional independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1954, and for other purposes; without amendment (Rept. No. 550). Referred to the Committee of the Whole House on the State of the Union.

Mr. SHORT: Committee of Conference. H. R. 4495. A bill to amend the Universal Military Training and Service Act, as amended, so as to provide for special registration, classification, and induction of certain medical, dental, and allied specialist categories, and for other purposes. (Rept. No. 551). Ordered to be printed.

Mr. DONDERO: Committee on Public Works. H. R. 5406. A bill to amend the Public Buildings Act of 1949 to authorize the Administrator of General Services to acquire title to real property and to provide for the construction of certain public buildings for housing of Federal agencies or departments, including post offices, by executing purchase contracts, and for other purposes; with amendment (Rept. No. 532). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. BURDICK: Committee on the Judiciary. S. 141. An act for the relief of Harry Ray Smith; without amendment (Rept. No. 540). Referred to the Committee of the Whole House.

Mr. FORRESTER: Committee on the Judiciary. House Resolution 255. Resolution for the purpose of sending H. R. 1114, together with all accompanying papers, to the United States Court of Claims; without amendment (Rept. No. 541). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. House Resolution 256. Resolution providing for sending to the United States Court of Claims the bill (H. R. 4661) for the relief of the Av-Equip Manufacturing Co.; without amendment (Rept. No. 542). Referred to the Committee of the Whole House.

Mr. JONAS of Illinois: Committee on the Judiciary. H. R. 5410. A bill for the relief of Mrs. Alberta S. Rozanski; without amendment (Rept. No. 543). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H. R. 5511. A bill for the relief of Clara Gabriel; without amendment (Rept. No. 544). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. PHILLIPS:

H. R. 5690. A bill making appropriations for additional independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1954, and for other purposes; to the Committee on Appropriations.

By Mr. BARDEN:

H. R. 5691. A bill to provide for an annual report by the Commissioner of Education regarding educational activities carried on by or under the supervision of, or with the aid of, the executive branch of the Government; to the Committee on Education and Labor.

By Mr. DEMPSEY:

H. R. 5692. A bill to extend the period for filing claims for compensation by prisoners of war to July 31, 1953; to the Committee on Interstate and Foreign Commerce.

By Mr. FERNÓS-ISERN:

H. R. 5693. A bill to amend the act of March 4, 1931, so as to include the Commonwealth of Puerto Rico in the compilation and publication of statistics relating to crime and delinquency; to the Committee on Post Office and Civil Service.

H. R. 5694. A bill to amend the act of August 7, 1916, as amended, so as to include the Commonwealth of Puerto Rico in the collection and publication of statistics relating to cottonseed and related products; to the Committee on Post Office and Civil Service.

H. R. 5695. A bill to amend section 16 of the act of June 18, 1929, so as to include Puerto Rico in the census of agriculture authorized thereby; to the Committee on Post Office and Civil Service.

H. R. 5696. A bill to amend the act of June 19, 1948, so as to include the Commonwealth of Puerto Rico in the censuses of manufacturers, mineral industries, and business authorized thereby; to the Committee on Post Office and Civil Service.

H. R. 5697. A bill to amend the act of September 7, 1950, so as to include the Commonwealth of Puerto Rico in the census of Governments authorized thereby; to the Post Office and Civil Service.

H. R. 5698. A bill to amend the act of April 2, 1924, as amended, so as to include the Commonwealth of Puerto Rico in the collection and publication of cotton statistics; to the Committee on Post Office and Civil Service.

H. R. 5699. A bill extending to the Commonwealth of Puerto Rico the power to enter into certain interstate compacts relating to the enforcement of the criminal laws and policies of the States; to the Committee on the Judiciary.

By Mr. FISHER:

H. R. 5700. A bill to amend the Tariff Act of 1930, to encourage the domestic production of wool as a critical and strategic defense material; to the Committee on Ways and Means.

By Mr. GWINN:

H. R. 5701. A bill to amend section 7 (c) of the Fair Labor Standards Act of 1938; to the Committee on Education and Labor.

By Mr. HIESTAND:

H. R. 5702. A bill to afford the taxpayer the right to determine the period of useful life of property in computing deductions for depreciation under the income-tax laws; to the Committee on Ways and Means.

By Mr. MCCARTHY (by request):

H. R. 5703. A bill to limit the period for collection by the United States of compensation received by officers and employees in violation of the dual compensation laws; to

the Committee on Post Office and Civil Service.

By Mrs. PFOST:

H. R. 5704. A bill to change the date for the beginning of annual assessment work on mining claims held by location in the United States, including the Territory of Alaska, from the 1st day of July to the 1st day of October and to extend the time during which annual assessment work on such claims may be made for the year beginning July 1, 1952, to the 1st day of October 1953; to the Committee on Interior and Insular Affairs.

By Mr. PROUTY:

H. R. 5705. A bill to amend the existing law to provide for the automatic renewal of expiring 5-year-level-premium-term policies of United States Government and national service life insurance; to the Committee on Veterans' Affairs.

By Mr. REES of Kansas:

H. R. 5706. A bill to facilitate civil-service appointment of persons who lost opportunity therefor because of service in the Armed Forces after June 30, 1950, and to provide certain benefits upon appointment; to the Committee on Post Office and Civil Service.

By Mr. ROONEY:

H. R. 5707. A bill granting increases in the annuities of certain former civilian officials and employees engaged in and about the construction of the Panama Canal, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. WHEELER:

H. R. 5708. A bill to repeal certain sections of acts of 1872 and 1873 of the Legislative Assembly of the District of Columbia; to the Committee on the District of Columbia.

By Mr. LYLE:

H. Res. 277. Resolution creating a select committee to study certain relationships of the United States with the United Nations; to the Committee on Rules.

By Mrs. ROGERS of Massachusetts:

H. Res. 278. Resolution directing the Atomic Energy Commission to furnish to the House of Representatives full and complete information about the effect on the weather

of certain atomic bomb explosions; to the Joint Committee on Atomic Energy.

H. Res. 279. Resolution directing the Secretary of the Army to furnish to the House of Representatives full and complete information about the effect on the weather of certain atomic bomb explosions; to the Committee on Armed Services.

H. Res. 280. Resolution directing the Federal Civil Defense Administrator to furnish to the House of Representatives full and complete information about the effect on the weather of certain atomic bomb explosions; to the Committee on Armed Services.

H. Res. 281. Resolution directing the Secretary of the Navy to furnish to the House of Representatives full and complete information about the effect on the weather of certain atomic bomb explosions; to the Committee on Armed Services.

H. Res. 282. Resolution directing the Secretary of the Air Force to furnish to the House of Representatives full and complete information about the effect on the weather of certain atomic bomb explosions; to the Committee on Armed Services.

H. Res. 283. Resolution directing the Secretary of Commerce to furnish to the House of Representatives full and complete information about the effect on the weather of certain atomic bomb explosions; to the Committee on Interstate and Foreign Commerce.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By Mr. RABAUT: Resolution of the Senate of the State of Michigan requesting the Federal Government to give consideration to the Hearst plan for better roads; to the Committee on Ways and Means.

By the SPEAKER: Memorial of the Legislature of the State of Connecticut, memorializing the President and the Congress of the United States concerning the McCarran Act and seeking its revision; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BOLAND:

H. R. 5709. A bill for the relief of Astor Cole; to the Committee on the Judiciary.

By Mr. BURDICK:

H. Res. 284. Resolution providing for sending to the United States Court of Claims the bill (H. R. 5683) for the relief of Willard L. Gleeson; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

322. By the SPEAKER: Petition of Robert Hunt and others, Daytona Beach, Fla., requesting passage of H. R. 2446 and H. R. 2447, social-security legislation known as the Townsend plan; to the Committee on Ways and Means.

323. Also, petition of Mrs. Arthur Pond and others, St. Petersburg, Fla., requesting passage of H. R. 2446 and H. R. 2447, social-security legislation known as the Townsend plan; to the Committee on Ways and Means.

324. Also, petition of Independent Order Sons of Italy, Grand Lodge of Ohio, Youngstown, Ohio, relative to the McCarran-Walter Immigration and Naturalization Act, and requesting that it be abolished; to the Committee on the Judiciary.

325. Also, petition of Chinese Embassy, Washington, D. C., relative to transmitting a statement of the Legislative Yuan of the Republic of China relating to the Korean truce talks and requesting that the United Nations not grant the Chinese Communist aggressors the right to participate in the negotiations on the settlement of the Korean problem; to the Committee on Foreign Affairs.

CONSIDERATION OF H. R. 5690

JUNE 15, 1953.—Referred to the House Calendar and ordered to be printed

Mr. ALLEN of Illinois, from the Committee on Rules,
submitted the following

R E P O R T

[To accompany H. Res. 285]

The Committee on Rules, having had under consideration House Resolution 285, report the same to the House with the recommendation that the resolution do pass.

26008



House Calendar No. 73

83^d CONGRESS
1ST SESSION

H. RES. 285

[Report No. 553]

IN THE HOUSE OF REPRESENTATIVES

JUNE 15, 1953

Mr. ALLEN of Illinois, from the Committee on Rules, reported the following resolution; which was referred to the House Calendar and ordered to be printed

RESOLUTION

1 *Resolved*, That upon the adoption of this resolution it
2 shall be in order to move that the House resolve itself into
3 the Committee of the Whole House on the State of the Union
4 for the consideration of the bill (H. R. 5690) making appro-
5 priations for additional independent executive bureaus,
6 boards, commissions, corporations, agencies, and offices, for
7 the fiscal year ending June 30, 1954, and for other purposes,
8 and all points of order against said bill or any provisions
9 contained in said bill are hereby waived. After general de-
10 bate, which shall be confined to the bill and continue not
11 to exceed four hours, to be equally divided and controlled
12 by the chairman and ranking minority member of the Com-

1 mittee on Appropriations, the bill shall be read for amend-
2 ment under the five-minute rule. At the conclusion of the
3 consideration of the bill for amendment, the Committee shall
4 rise and report the bill to the House with such amendments
5 as may have been adopted and the previous question shall
6 be considered as ordered on the bill and amendments thereto
7 to final passage without intervening motion except one
8 motion to recommit.

83d CONGRESS
1ST Session

H. RES. 285

[Report No. 553]

RESOLUTION

Providing for the consideration of H. R. 5690, a bill making appropriations for additional independent executive bureaus, boards, commissions, corporations, agencies, and offices for the fiscal year ending June 30, 1954, and for other purposes.

By Mr. AULEN of Illinois

JUNE 15, 1953

Referred to the House Calendar and ordered to be printed

authority, with the approval of the Secretary of the Treasury, to vary the rates below the maximum as well as up to maximum; and (4) extends for 1 year the direct home loan program with an additional \$100 million authorization to be made available at the maximum rate of \$25 million per calendar quarter.

HOUSE

11. EXTENSION SERVICE. Passed without amendment S. 1679, to consolidate Extension Service authorizations (pp. 6727-29). This bill will now be sent to the President.
12. FOREIGN TRADE. Passed, by 363-35, without amendment H.R. 5495, to extend the President's authority to enter into reciprocal trade agreements (pp. 6731-74). (For summary see Digest 107.) The debate included discussions on the relationship of foreign trade to agriculture.
13. FOREIGN AID. The Foreign Affairs Committee ordered reported (but did not actually report) H.R. 5710, the Mutual Security Act of 1953 (p. D556). The Committee was given permission until midnight to file its report on this bill (p. 6731).
14. PERSONNEL. The "Daily Digest" states that the "conferees, in executive session, reached agreement on... H.R. 4654, providing for exemption from Annual and Sick Leave Act of 1951 of certain officers. Major agreements of the conferees are as follows:
"1. Top Government positions of Cabinet rank, and such others as the President may designate (with the exception of postmasters, U.S. attorneys, and marshals), would be removed from the Annual and Sick Leave Act of 1951; this will not affect leave accrued by such personnel prior to enactment of this proposed legislation; and
"2. The so-called Thomas leave rider would be repealed as of June 30, 1953, and the Annual and Sick Leave Act of 1951 would be amended so as to limit future total accruable leave and total lump-sum cash payment to 30 days."
15. APPROPRIATIONS. The Rules Committee reported a resolution for consideration of H.R. 5690, second independent offices appropriation bill for 1954 (p. 6779). The bill includes funds for the Tennessee Valley Authority, Veterans' Administration, and Selective Service System.
Received from the President supplemental appropriation estimates for the executive branch for 1954; to Appropriations Committee (H. Doc. 176) (p. 6779). This document includes the estimate of \$350,000 for defense production activities of this Department.
16. RECLAMATION. The Interior and Insular Affairs Committee reported without amendment H.R. 1991, relating to certain construction-cost adjustments at the Greenfields division of the Sun River irrigation project, Mont. (H. Rept. 554) (p. 6779).
17. TRANSPORTATION. The Interstate and Foreign Commerce Committee reported with amendment H.R. 3792, to authorize the ICC to revoke, etc., water carrier certificates and permits under certain conditions (H. Rept. 557) (p. 6779).
18. WAR POWERS. The Judiciary Committee reported without amendment H.R. 2557, to continue title 2 of the First War Powers Act (contract authority of the President) through June 30, 1954 (H. Rept. 558) (p. 6779).

19. PUBLIC LANDS. Passed without amendment H.R. 1308, to amend the Color of Title Act (p. 6729).
20. LOBBYING. Received the compilation of all registrations and quarterly reports for the second quarter of 1953 filed by persons engaged in lobbying activities (pp. 6782-816).
21. LAND TRANSFER; RESEARCH. Both Houses received from this Department proposed legislation to authorize the Secretary to convey to N. C. a tract of approximately 134 acres, together with buildings and improvements thereon, which BPISAE has been using as cotton field station; to House Agriculture Committee and Senate Agriculture and Forestry Committee (pp. 6779, 6658).

BILLS APPROVED BY THE PRESIDENT

22. PERSONNEL. S. 1870, to extend the time of the Committee on Retirement Policy for Federal Personnel for its report to Congress from Dec. 31, 1953, to June 30, 1954. Public Law 54, 83rd Cong., approved June 6, 1953.
23. FLOOD CONTROL. S. 261, approves the Connecticut River Flood Control Compact. Public Law 52, 83rd Cong., approved June 6, 1953.
24. APPROPRIATIONS. H.R. 4664, 3rd supplemental appropriation bill, 1953. Public Law 59, 83rd Cong., approved June 15, 1953. For items included in this Act for USDA see Digest 106.

ITEMS IN APPENDIX

25. LIVESTOCK. Rep. Miller inserted Secretary Benson's speech before the Nebraska Stock Growers' Ass'n. discussing some of the problems of the livestock industry and the Department's program to alleviate the "cost-price squeeze which has been hurting agriculture" (pp. A3605-7).
26. POSTAL RATES. Extension of remarks of Rep. Hagen opposing the proposed increase in postal rates and inserting his press statement on this subject (p. A3619).
27. TVA. Sen. Kefauver inserted a Tenn. Railroad and Public Utilities Commission letter opposing proposed reduction in TVA appropriations (p. A3630).
Extension of remarks of Rep. Frazier stating that many of the "original TVA objectives as defined by Congress have been substantially achieved" and opposing proposed appropriation reductions (pp. A3669-70).
28. BUTTER. Sen. Thye inserted a Washington Post editorial, "Europe Farm Editors Miss Their Butter," outlining visits of 16 European farm editors to see how American farmers make use of news and information disseminated by farm publications (p. A3638).
29. WEED CONTROL. Sen. Mundt inserted a Farm Journal article describing the weed control program in S. Dak. (p. A3641).
30. GOVERNMENT ECONOMY. Sen. Martin inserted his recent speech outlining programs for an expanding economy and stating that the "new administration is putting all its effort into the job of getting the Nation back on a sound financial footing" (pp. A3645-6).

versity," approved February 24, 1893, so as to clarify the relations between the Board of Trustees of the American University and the Board of Education of the Methodist Church, and for other purposes; to the Committee on the District of Columbia.

S. J. Res. 6. Joint Resolution to provide for a continuance of civil government for the Trust Territory of the Pacific Islands; to the Committee on Interior and Insular Affairs.

ENROLLED BILL SIGNED

Mr. LeCOMPTE, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H. R. 5174. An act making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1954, and for other purposes.

BILLS PRESENTED TO THE PRESIDENT

Mr. LeCOMPTE, from the Committee on House Administration, reported that that committee did on June 12, 1953, present to the President, for his approval, bills of the House of the following titles:

H. R. 3307. An act to provide for the treatment of users of narcotics in the District of Columbia; and

H. R. 4664. An act making supplemental appropriations for the fiscal year ending June 30, 1953, and for other purposes.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. O'HARA of Minnesota (at the request of Mr. AUGUST H. ANDRESEN), on account of illness.

Mr. FINE (at the request of Mr. DOLLINGER), for Monday, June 15, 1953, on account of important business.

Mr. PATTEN (at the request of Mr. EBERHARTER), for Monday, June 15, 1953, on account of official business.

Mr. POWELL (at the request of Mr. CELLER), indefinitely, on account of death in family.

Messrs. CLARDY, WALTER, and SCHERER (at the request of Mr. SCHERER), for June 17, 18, and 19, 1953, on account of hearings of the Un-American Activities Committee at Columbus, Ohio.

ADJOURNMENT

Mr. BENDER. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock p. m.) the House adjourned until tomorrow, Tuesday, June 16, 1953, at 12 o'clock noon.

OATH OF OFFICE, MEMBERS AND DELEGATES

The oath of office required by the sixth article of the Constitution of the United States, and as provided by section 2 of the act of May 13, 1884 (23 Stat. 22), to be administered to Members and Delegates of the House of Representatives, the text of which is carried in section 1757 of title XIX of the Revised Statutes

of the United States and being as follows:

I, A B, do solemnly swear (or affirm) that I will support and defend the Constitution of the United States against all enemies, foreign and domestic; that I will bear true faith and allegiance to the same; that I take this obligation freely, without any mental reservation or purpose of evasion, and that I will well and faithfully discharge the duties of the office on which I am about to enter, so help me God.

has been subscribed to in person and filed in duplicate with the Clerk of the House of Representatives by the following Member of the 83d Congress, pursuant to Public Law 412 of the 80th Congress, entitled "An act to amend section 30 of the Revised Statutes of the United States" (U. S. C., title 2, sec. 25), approved February 18, 1948: ROBERT T. ASHMORE, Fourth District of South Carolina.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

770. A communication from the President of the United States, transmitting proposed supplemental appropriations for the executive branch for the fiscal year 1954 in the amount of \$17,455,000 (H. Doc. No. 176); to the Committee on Appropriations and ordered to be printed.

771. A letter from the Acting Secretary of Agriculture, transmitting a draft of proposed legislation entitled "A bill to authorize the Secretary of Agriculture to convey to the State of North Carolina a tract of approximately 134 acres, together with buildings and improvements thereon, which the Bureau of Plant Industry, Soils, and Agricultural Engineering of this Department has been using as a cottonfield station"; to the Committee on Agriculture.

772. A letter from the Secretary of Agriculture, transmitting the report on cooperation of the United States with Mexico in the prevention of foot-and-mouth disease for the month of April 1953, pursuant to Public Law 8, 80th Congress; to the Committee on Agriculture.

773. A letter from the Secretary of the Navy, relative to the Department of the Navy proposing to transfer to the city of Chicago, Ill., the ex-German submarine U-505, to be established and maintained as a memorial, pursuant to section 1 of the act of August 7, 1946 (60 Stat. 897, as amended; 34 U. S. C. Supp. V, 546f); to the Committee on Armed Services.

774. A letter from the Director, Administrative Office of the United States Courts, transmitting a draft of a bill entitled "A bill to provide that United States commissioners who are required to devote full time to the duties of the office may be allowed their necessary office expenses"; to the Committee on the Judiciary.

775. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting a letter showing a list of cases of certain aliens, and requesting that they be withdrawn from those before the Congress and returned to the jurisdiction of the Department of Justice; to the Committee on the Judiciary.

776. A letter from the Secretary of Commerce, transmitting the 24th report of action taken by the United States Maritime Administration, pursuant to section 217 of the Merchant Marine Act, 1936, as amended (Public Law 498, 77th Congress); to the Committee on Merchant Marine and Fisheries.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. ALLEN of Illinois: Committee on Rules. House Resolution 285. Resolution for consideration of H. R. 5690, a bill making appropriations for additional independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1954, and for other purposes; without amendment (Rept. No. 553). Referred to the House Calendar.

Mr. MILLER of Nebraska: Committee on Interior and Insular Affairs. H. R. 1991. A bill relating to certain construction-cost adjustments in connection with the Greenfields division of the Sun River irrigation project, Montana; without amendment (Rept. No. 554). Referred to the Committee of the Whole House on the State of the Union.

Mr. ROBSION of Kentucky: Committee on the Judiciary. H. R. 1806. A bill to amend further the Federal Register Act, as amended; with amendment (Rept. No. 555). Referred to the Committee of the Whole House on the State of the Union.

Mr. ROBSION of Kentucky: Committee on the Judiciary. S. 1105. An act to incorporate the National Safety Council; with amendment (Rept. No. 556). Referred to the House Calendar.

Mr. HESELTON: Committee on Interstate and Foreign Commerce. H. R. 3792. A bill to amend part III of the Interstate Commerce Act, so as to authorize the Interstate Commerce Commission to revoke, amend, or suspend water carrier certificates and permits under certain conditions; with amendment (Rept. No. 557). Referred to the Committee of the Whole House on the State of the Union.

Mr. ROBSION of Kentucky: Committee on the Judiciary. H. R. 2557. A bill to amend the act of January 12, 1951, as amended, to continue in effect the provisions of title II of the First War Powers Act, 1941; without amendment (Rept. No. 558). Referred to the Committee of the Whole House on the State of the Union.

Mr. REES of Kansas: Committee on Post Office and Civil Service. H. R. 5302. A bill to provide for an additional Assistant Postmaster General in the Post Office Department; without amendment (Rept. No. 559). Referred to the Committee of the Whole House on the State of the Union.

Mr. McCULLOCH: Committee on the Judiciary. House Concurrent Resolution 28. Concurrent resolution commemorating the 300th anniversary of the formation of Westmoreland County, Va.; without amendment (Rept. No. 560). Referred to the House Calendar.

Mr. McCULLOCH: Committee on the Judiciary. House Concurrent Resolution 85. Concurrent resolution to participate in Fourth of July, 1953, observance at Independence Hall, Philadelphia, Pa.; with amendment (Rept. No. 561). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. CHIPERFIELD:
H. R. 5710. A bill to amend further the Mutual Security Act of 1951, as amended, and for other purposes; to the Committee on Foreign Affairs.

By Mr. AUGUST H. ANDRESEN:
H. R. 5711. A bill to extend certain benefits to persons who served in the Armed Forces of the United States in Mexico or on

its borders during the period beginning May 9, 1916, and ending April 6, 1917, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. ANGELL:

H. R. 5712. A bill to provide for the issuance of a special postage stamp in commemoration of the 200th anniversary of Columbia University; to the Committee on Post Office and Civil Service.

By Mr. BENTLEY:

H. R. 5713. A bill to amend the Railway Labor Act to enable employees covered by proposed union shop and checkoff agreements to vote to ratify or reject such agreements; to the Committee on Interstate and Foreign Commerce.

By Mr. BURLISON:

H. R. 5714. A bill to authorize the Commodity Credit Corporation to transfer certain surplus agricultural commodities to the Director for Mutual Security for sale to countries participating in the mutual security program; to the Committee on Agriculture.

By Mr. COON:

H. R. 5715. A bill to authorize lending operations by the Klamath Indians, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. FINE:

H. R. 5716. A bill to provide for the issuance of a special postage stamp in commemoration of the 200th anniversary of Columbia University; to the Committee on Post Office and Civil Service.

By Mr. FORAND:

H. R. 5717. A bill to provide for the issuance of a special postage stamp in commemoration of the 200th anniversary of Columbia University; to the Committee on Post Office and Civil Service.

By Mr. HAGEN of Minnesota (by request):

H. R. 5718. A bill to limit the period for collection by the United States of compensation received by officers and employees in violation of the dual compensation laws; to the Committee on Post Office and Civil Service.

By Mr. HERLONG:

H. R. 5719. A bill to amend the Agricultural Adjustment Act of 1938, as amended; to the Committee on Agriculture.

H. R. 5720. A bill relating to the tax treatment to be afforded under section 117 (j) (3) of the Internal Revenue Code in certain cases involving the sale, exchange, or conversion of land with unharvested crops thereon; to the Committee on Ways and Means.

H. R. 5721. A bill to authorize the adoption of a certain rule with respect to the broadcasting or telecasting of professional baseball exhibitions in interstate commerce, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. HESELTON:

H. R. 5722. A bill to amend section 7 of the War Claims Act of 1948, with respect to claims of certain religious organizations functioning in the Philippine Islands; to the Committee on Interstate and Foreign Commerce.

By Mr. McMILLAN:

H. R. 5723. A bill to repeal the \$75 work clause that applies to old-age and survivors insurance benefits under title II of the Social Security Act; to the Committee on Ways and Means.

By Mr. MAILLIARD:

H. R. 5724. A bill to amend section 2 of the act approved February 20, 1931, relating to the construction, maintenance, and operation of the San Francisco Bay Bridge; to the Committee on Public Works.

By Mr. MILLS:

H. R. 5725. A bill to authorize the adoption of a certain rule with respect to the broadcasting or telecasting of professional baseball exhibitions in interstate commerce, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. PHILBIN:

H. R. 5726. A bill for the relief of sufferers of casualty losses, and for other purposes; to the Committee on Ways and Means.

By Mr. PHILLIPS:

H. R. 5727. A bill to amend the Agricultural Adjustment Act of 1938, as amended; to the Committee on Agriculture.

By Mr. SHAFER:

H. R. 5728. A bill to authorize the disposal of the Government-owned rubber-producing facilities, and for other purposes; to the Committee on Armed Services.

By Mr. SHELLEY:

H. R. 5729. A bill to amend section 2 of the act approved February 20, 1931, relating to the construction, maintenance, and operation of the San Francisco Bay Bridge; to the Committee on Public Works.

By Mr. SAYLOR:

H. R. 5730. A bill to authorize the Secretary of the Interior to construct, operate, and maintain certain facilities to provide water for irrigation and domestic use from the Santa Margarita River, Calif., and the joint utilization of a dam and reservoir and other waterwork facilities by the Department of the Interior and the Department of the Navy, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. UTT:

H. R. 5731. A bill to authorize the Secretary of the Interior to construct, operate, and maintain certain facilities to provide water for irrigation and domestic use from the Santa Margarita River, Calif., and the joint utilization of a dam and reservoir and other waterwork facilities by the Department of the Interior and the Department of the Navy, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. ENGLE:

H. R. 5732. A bill to authorize the Secretary of the Interior to construct, operate, and maintain certain facilities to provide water for irrigation and domestic use from the Santa Margarita River, Calif., and the joint utilization of a dam and reservoir and other waterwork facilities by the Department of the Interior and the Department of the Navy, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. CURTIS of Nebraska:

H. R. 5733. A bill to substitute a retailers' excise tax on mechanical lighters for cigarettes, cigars, and pipes in place of the existing manufacturers' excise tax on these items; to the Committee on Ways and Means.

By Mr. DAGUE:

H. R. 5734. A bill to amend the Federal Seed Act of August 9, 1939 (53 Stat. 1275), as amended; to the Committee on Agriculture.

By Mr. DEMPSEY:

H. R. 5735. A bill conferring jurisdiction upon the United States District Court for the District of New Mexico, to hear, determine, and render judgment upon certain claims arising as a result of the construction by the United States of Elephant Butte Dam on the Rio Grande; to the Committee on the Judiciary.

By Mr. O'NEILL:

H. R. 5736. A bill to provide for the conveyance of the Bunker Hill Monument, Charlestown, Mass., to the United States; to the Committee on Interior and Insular Affairs.

By Mr. PHILBIN:

H. R. 5737. A bill for the relief of sufferers in designated tornado disaster areas for losses of real and personal property suffered in 1953 tornadoes; to the Committee on the Judiciary.

H. R. 5738. A bill for the relief of sufferers in designated disaster areas for losses of real and personal property; to the Committee on the Judiciary.

By Mr. SIMPSON of Illinois:

H. R. 5739. A bill to permit fiduciaries in the District of Columbia to hold fiduciary property in the name of a nominee; to the Committee on the District of Columbia.

By Mr. WOLVERTON:

H. R. 5740. A bill to amend the Federal Food, Drug, and Cosmetic Act, so as to protect the public health and welfare by providing certain authority for factory inspection, and for other purposes; to the Committee on Interstate Commerce.

H. R. 5741. A bill to amend section 39 of the Trading With the Enemy Act of October 6, 1917, as amended; to the Committee on Interstate and Foreign Commerce.

By Mr. CHIPERFIELD:

H. R. 5742. A bill to amend the International Claims Settlement Act of 1949; to the Committee on Foreign Affairs.

By Mr. FISHER:

H. R. 5743. A bill to amend section 47c of the National Defense Act of June 3, 1916, as amended; to the Committee on Armed Services.

By Mr. O'KONSKI:

H. R. 5744. A bill to authorize payment of a monetary allowance in lieu of transportation in kind to members of the uniformed services who transport their dependents, baggage, and household effects in a house trailer; to the Committee on Armed Services.

H. R. 5745. A bill to allow members of the uniformed services to reside in trailers under certain circumstances without forfeiting their allowance for quarters; to the Committee on Armed Services.

By Mr. PHILBIN:

H. J. Res. 277. Joint resolution authorizing the Federal National Mortgage Association to enter into agreements prior to construction to purchase mortgages on housing in disaster areas; to the Committee on Banking and Currency.

By Mr. RABAUT:

H. J. Res. 278. Joint resolution requesting the President to issue a proclamation designating an appropriate day as a national day of prayer and reparation; to the Committee on the Judiciary.

By Mr. GRAHAM:

H. Con. Res. 110. Concurrent resolution favoring the granting of the status of permanent residence to certain aliens; to the Committee on the Judiciary.

By Mr. ANGELL:

H. Con. Res. 111. Concurrent resolution favoring universal disarmament; to the Committee on Foreign Affairs.

By Mr. METCALF:

H. Res. 286. Resolution to promote the general welfare by providing for an investigation into the causes and effects of silicosis and for more effective cooperation between the States and the Federal Government to bring about prevention and control of silicosis; to the Committee on Rules.

By Mr. McCORMACK:

H. Res. 287. Resolution providing additional compensation for one minority employee; to the Committee on House Administration.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By Mr. LANE: Memorial of the Senate of Massachusetts memorializing Congress to retain the New England regional office of the Wage and Hour Division of the United States Department of Labor in the city of Boston, and the branch office of said Division in the city of Springfield; to the Committee on Education and Labor.

By Mr. HESELTON: Resolutions of the State Senate of Massachusetts memorializing Congress to retain the New England regional office of the Wage and Hour Division of the United States Department of Labor in the city of Boston, and the branch office of said Division in the city of Springfield; to the Committee on Education and Labor.

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued June 17, 1953
For actions of June 16, 1953
83rd-1st, No. 109

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HIGHLIGHTS: Senate-passed Pakistan wheat bill. Senate committee reported St. Lawrence waterway bill. House debated 2nd independent offices appropriation bill. House committees reported wheat-for-Pakistan and mutual security bills. Conferees reported economic controls bill.

HOUSE

- 1. FOREIGN AID.** The Agriculture Committee reported with amendment H.R. 5659, to provide for the transfer of price-support wheat to Pakistan (H. Rept. 570) (p. 6906).
The Foreign Affairs Committee reported without amendment H.R. 5710, Mutual Security Agency authorization bill (H. Rept. 569) (p. 6906). Reps. Burleson and Javits discussed this bill (pp. 6851-53).
- 2. ECONOMIC CONTROLS.** Received the conference report on S. 1081, providing for temporary economic controls (H. Rept. 571) (pp. 6901-06). The conferees agreed to eliminate from the bill titles 6 (consumer and real-estate credit) and 8 (90-day freeze provisions); adopt the Senate definition of national defense; adopt the House amendment to establish a Small Business Administration (to take the place of the Small Defense Plant Administration which will expire June 30, 1953); and adopt a 2-year extension of those provisions which the House amendment would have extended for only 1 year.
- 3. APPROPRIATIONS.** Began debate on H.R. 5690, second independent offices appropriation bill for 1954 (pp. 6850, 6862-901). The discussion centered mainly on TVA.
- 4. FORESTRY.** The Interior and Insular Affairs Committee ordered reported (but did not actually report) with amendments H.R. 334, regarding disposition of deposits of sand, stone, gravel, etc., when situated on national forest lands (p. D564).

5. RECLAMATION. The Interior and Insular Affairs Committee ordered reported (but did not actually report) with amendments H.R. 1374, relating to appropriations for construction of the Eklutna project, Alaska (p. D564).
6. FOOD INSPECTION. The Interstate and Foreign Commerce Committee ordered reported (but did not actually report) H.R. 5740, to permit factory, warehouse, etc., inspection by the Food and Drug Administration, after giving written notice to the owner (p. D565).
7. PERSONNEL. The Post Office and Civil Service Committee ordered reported (but did not actually report) H.R. 5706, to facilitate civil-service appointment of persons who lost this opportunity because of military service after June 30, 1950. (p. D565).
8. FARM PRICES. Rep. McCarthy criticized the statement by Leonard Hall, Republican national chairman, that the farm price decline had been halted by the present administration and that farm prices were now on the upturn (p. 6852).

SENATE

9. FOREIGN AID. Passed with amendments S. 2112 (pp. 6824-31). This bill provides as follows:
Authorizes the Commodity Credit Corporation to make up to 1 million long tons of wheat acquired through price-support operations available to the President for transfer to the Government of Pakistan upon such terms as he sees fit. Authorizes appropriations to reimburse CCC. Requires the terms of the transfer to Pakistan to provide for (a) distribution of the wheat without discrimination; (b) full publicity for United States assistance; (c) United States observers; (d) utilization of local currency received for the wheat as agreed upon by the United States and Pakistan to increase food production in Pakistan and other projects in the mutual interest of the two countries; (e) allocation of 5 percent of the local currency receipts to the United States for its local currency requirements; (f) appropriate measures to reduce and forestall further relief needs; and (g) free distribution to needy persons. Permits termination of assistance by the President or Congress. Requires transportation of at least half of the wheat in American ships.
10. ST. LAWRENCE WATERWAY. The Foreign Relations Committee reported without amendment S. 2150, to create the St. Lawrence Seaway Development Corporation. Sen. Wiley stated this bill was approved by a 13-2 committee vote. The committee was granted authority to submit its report within the next 2 days (S. Rept. 441). (pp. 6820-1.)
11. IMMIGRATION. Passed without amendment S. 1766, to establish the Office of Commissioner of Refugees to coordinate Government activities relating to escapees and refugees and the migration of persons (pp. 6834-5).
12. RECESSED until Thurs., June 18 (p. 6849). The legislative program as stated by the acting majority leader: S. 1901, outer Continental Shelf bill was made the unfinished business until copies of the hearings and report are available; Thurs., calendar; Fri., if hearings on S. 1901 are not then available, "miscellaneous and largely uncontroversial bills" (pp. 6847-8).

AUTHORIZATION FOR SECRETARY TO RECEIVE MESSAGES FROM THE HOUSE OF REPRESENTATIVES AND NOMINATIONS FROM THE EXECUTIVE BRANCH

Mr. KNOWLAND. Mr. President, I ask unanimous consent that the Secretary be authorized to receive messages from the House of Representatives during the recess of the Senate; also to receive nominations from the executive branch of the Government.

The PRESIDING OFFICER. Without objection, it is so ordered.

AUTHORIZATION FOR VICE PRESIDENT TO SIGN ENROLLED BILLS DURING RECESS OF THE SENATE

Mr. KNOWLAND. Mr. President, I ask unanimous consent that the Vice President be authorized to sign enrolled bills during the recess of the Senate.

The PRESIDING OFFICER. Without objection, it is so ordered.

AUTHORIZATION FOR COMMITTEES TO SUBMIT REPORTS ON BILLS AND NOMINATIONS DURING THE RECESS

Mr. KNOWLAND. Mr. President, I ask unanimous consent that the committees be authorized to submit reports on bills and nominations during the recess of the Senate.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS TO THURSDAY

Mr. KNOWLAND. I move that the Senate stand in recess until 12 o'clock noon on Thursday next.

No. 109—5

The motion was agreed to; and (at 3 o'clock and 16 minutes p. m.) the Senate took a recess until Thursday, June 18, 1953, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate June 16 (legislative day of June 8), 1953:

UNITED NATIONS

John C. Baker, of Ohio, to be the representative of the United States of America to the 16th session of the Economic and Social Council of the United Nations.

DIPLOMATIC AND FOREIGN SERVICE

James S. Kemper, of Illinois, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Brazil.

L. Corrin Strong, of the District of Columbia, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Norway.

M. Robert Guggenheim, of the District of Columbia, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Portugal.

BUREAU OF THE MINT

Ross P. Buell, of California, to be superintendent of the mint of the United States at San Francisco, Calif.

Arthur C. Carmichael, of California, to be assayer in the mint of the United States at San Francisco, Calif.

COLLECTORS OF CUSTOMS

Jeremiah A. McGimsey, of Arizona, to be collector of customs for customs collection district No. 26, with headquarters at Nogales, Ariz.

Frank Abelman, of Michigan, to be collector of customs for customs collection district No. 38, with headquarters at Detroit, Mich.

George F. Jameson, of Oregon, to be collector of customs for customs collection district No. 29, with headquarters at Portland, Oreg.

IN THE AIR FORCE

Lt. Gen. Earle Everard Partridge, 33A (major general, Regular Air Force), United States Air Force, to be Deputy Chief of Staff, Operations, United States Air Force, with rank of lieutenant general and as lieutenant general in the United States Air Force, under the provisions of sections 504 and 515, Officer Personnel Act of 1947.

Lt. Gen. Leon William Johnson, 88A (major general, Regular Air Force), to be senior Air Force member, Military Staff Committee, United Nations, with the rank of lieutenant general and as lieutenant general in the United States Air Force, under the provisions of sections 504 and 515 of the Officer Personnel Act of 1947.

Brig. Gen. Alvin Roubal Luedecke, 1486A (colonel, Regular Air Force), United States Air Force, for appointment as temporary major general in the United States Air Force, under the provisions of section 515 of the Officer Personnel Act of 1947.

IN THE NAVY

Adm. William Morrow Fechteler, United States Navy, to have the grade, rank, pay and allowances of an admiral while serving as commander in chief, Allied forces, southern Europe.

CONFIRMATIONS

Executive nominations confirmed by the Senate June 16 (legislative day of June 8), 1953:

PUBLIC HOUSING ADMINISTRATION

Charles E. Slusser, of Ohio, to be Public Housing Commissioner.

UNITED STATES ATTORNEY

Jacob S. Temkin, of Rhode Island, to be United States attorney for the district of Rhode Island.

UNITED STATES MARSHAL

Clarence H. Spence, of Delaware, to be United States marshal for the district of Delaware.

House of Representatives

TUESDAY, JUNE 16, 1953

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

Most merciful and gracious God, from whom cometh every good and perfect gift, grant that daily we may be more willing to acknowledge how dependent we are upon Thee for all our blessings.

Give us a greater concern for the welfare and happiness of Thy needy children everywhere. May we be glad and grateful that there is so much that we are able and privileged to share with others which will inspire them with hope and courage.

We penitently confess that we so often fail to see that we are taking the song and the sunshine out of the life of our fellow men by our surrender to a spirit which is sullen and selfish.

May our minds and hearts be radiant and glow with confidence as we face tasks and responsibilities which demand the dedication and devotion of our noblest manhood and womanhood.

Hear us in Christ's name. Amen.

THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Carrell, one of its clerks, announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 5227. An act making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1954, and for other purposes.

The message also announced that the Senate insists upon its amendments to the foregoing bill, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. YOUNG, Mr. FERGUSON, Mr. McCARTHY, Mr. MUNDT, Mr. AIKEN, Mr. RUSSELL, Mr. HAYDEN, and Mr. McCARRAN to be the conferees on the part of the Senate.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4495) entitled "An act to amend the Universal Military Training and Service Act, as amended, so as to provide for special registration, classification, and induction of certain medical, dental, and allied specialist categories, and for other purposes."

SECOND INDEPENDENT OFFICES APPROPRIATION BILL, 1954

Mr. ALLEN of Illinois. Mr. Speaker, I call up House Resolution 285 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 5690) making appropriations for additional independent executive bureaus, boards, commissions, corporations, agencies, and offices for the fiscal year ending June 30, 1954, and for other purposes, and all points of order against said bill or any provisions contained in said bill are hereby waived. After general debate, which shall be confined to the bill and continue not to exceed 4 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Appropriations, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. ALLEN of Illinois. Mr. Speaker, I yield 30 minutes to the gentleman from Texas [Mr. LYLE].

Mr. Speaker, I rise to urge the adoption of House Resolution 285, making in order the consideration of the bill (H. R. 5690) making appropriations for additional independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1954, and for other purposes.

House Resolution 285 provides for an open rule, waiving points of order and provides for 4 hours of general debate on the bill itself.

H. R. 5690 for the purposes of our consideration can be broken down into four distinct sections. The bill recommends appropriations for the Atomic Energy Commission, the Selective Service System, the Tennessee Valley Authority, and the Veterans' Administration.

According to the committee report on the bill the American taxpayer will be saved \$1,171,389,000 on this measure alone if the Congress gives it favorable consideration. This figure represents the cuts made from the original budget estimate and is the result of the combined efforts of the Bureau of the Budget, the Appropriations Committee, and, in some cases, the agency receiving the appropriation.

In terms of percent this bill represents a saving of 18 percent over the original

budget estimate. The bulk of the saving of over \$3 billion, as compared with 1953 appropriations, has been made possible by the decrease in funds for the Atomic Energy Commission.

If you consider the recommended cuts department by department you will see just how substantial these savings are. In 1953, the Congress appropriated for the Atomic Energy Commission \$4,124,621,500. The original budget estimate submitted for this year asked for \$1,592,789,000 and the committee has cut this figure to \$1,057,781,000 which they now recommend to the Congress.

The Selective Service System in 1953 received an appropriation of \$36,772,000 and the budget estimate submitted early this year asked for \$34,400,000. The Committee on Appropriations has cut this figure to \$29,882,400.

In 1953, the TVA received an appropriation of \$336,027,000 to continue its work. The estimate of their needs for 1954 which was submitted to the Congress asked for \$254,355,000, but the committee recommends instead \$188,371,000, a saving to the taxpayer of millions of dollars on this one item alone.

This bill is one which goes about making much-needed cuts in expenditures in a sensible manner. There is logic behind these cuts which should assure them of the considered support of the House membership. I hope that the House will adopt House Resolution 285, which will make in order the consideration of this very important bill.

Mr. LYLE. Mr. Speaker, I think the rule should be adopted. I have no requests for time on this side.

Mr. ALLEN of Illinois. Mr. Speaker, I move the previous question.

The previous question was ordered.

The resolution was agreed to, and a motion to reconsider was laid on the table.

YOU'RE WELCOME, DAVE KROHE

(Mrs. FRANCES P. BOLTON asked and was given permission to address the House for 1 minute.)

Mrs. FRANCES P. BOLTON. Mr. Speaker, I would like to share with the Members of the House a "thank you" note received in my mail last week.

The other day the postman delivered a letter to me addressed to "Any living Member of the 78th Congress of the United States of America, Capitol Building, Washington, D. C." I qualified, and the postman, seeing the return address was 2135 Adelbert Road, Cleveland 6, Ohio, sent me the letter.

Inside was a card. On one side was printed "Thank you." On the other was

- A-6922684, Gottlieb, Simon.
0300-351187, Grun, Margit (nee Margit Weiman).
A-4743403, Haag, Signe Elisabeth Ekiand.
A-3433135, Hagglund, Marie or Hilja Maria Kaipainen alias Mary Adams.
A-5987425, Hannon, Evelyn Joan (nee Mary Evelyn Joan Kemp).
A-4991379, Heike, Ernest Bruno.
A-4379869, Heike, Elizabeth.
A-6252598, Hidalgo, Antonio Cesar Asias.
A-9532455, Hillman, Edmund H.
A-3478865, Hohenwald, Richard Emil.
A-5389337, Hudson, Walter Roy.
A-7115138, Hudson, Vera Noreen.
A-5390980, Hurrell, William Henry.
A-5340334, Igge, John.
0300-122083, Jensen, Barbara Anderson (nee Barbel Anna Johanna Andersen alias Barbel Andersen).
V-905003, Johnson, Arnida Fabon.
A-7202862, Johnson, Elese Adline (nee Wood).
A-1415170, Jose, Jacinto known as Jacinto Joseph.
A-1606795, Kaempfe, Walter Emil.
A-3468925, Kajganic, Vasil known as Mike Minic.
A-2772295, Kalinowski, Stephanie Stella.
A-6601853, Kalistian, Deckranouri (nee Beshgeturian).
A-4085651, Kartounis, Efstratios or Stavros or Steve Karonas or Steve Pappa.
A-3262888, Kee, Tang Wong.
A-5928439, Kwal, Tsu Ding or Tsu D. Kwal.
A-6861477, Labastida-Aguilar, Carlos.
A-6180834, Laird, Mary Aparici.
A-6180836, Laird, Elizabeth Welderica.
A-6180835, Laird, Robert Fulton.
A-4353932, Lass, Elise Marquard.
A-7145249, Lazo, Benito Padilla.
A-4540497, Lee, Hum Fay Jin or Hum Fay Jin or Hum Shee.
A-7024479, Kai, Lee Mon or Guy Lee or Mon Kai Lee.
A-1739133, Lee, Sherman H. or Lee Hsueh-Wen.
A-1365639, Legax, Marian or Marijan or Marian or Marijan Lejac.
A-4350403, Lenetsky, Ray (nee Roman).
A-7037911, Lenetsky, Beatrice.
A-7040212, Lenetsky, Constance.
A-7041176, Lenetsky, Sybil.
A-7041175, Lenetsky, Evelyn.
0300-357422, Letsche, Julius Eugene.
A-7631587, Linforth, Lionel Keith.
A-7631588, Linforth, Moya Jean (nee Thistleton).
A-6888038, Ling, Ping.
A-7297972, Lloyd, Betty.
A-4021548, Longo, Giuseppe.
A-6255041, Lopez, Jesus Rios alias Juan Jose Elizarraras Y Rios or Jesus Lopez Rios.
V-1387486, Lopez y Lloret, Pilar Dora Maria Pascuala or Pilar Perez.
A-6046390, Loung, Pai Yen.
V-397987, Loung, Min (nee Min Lin).
A-5729350, Low, Woo Ah or Ah Low Wing or Mrs. Chin Dor Wing or Mrs. George C. Wing.
A-5091440, Magglo, Mario August or Augusto May.
A-9177009, Mainas, Artemis.
A-6045429, Martinez, Timothy Henry or Timothy Henry Martin or Timothy H. Maxwell.
V-1466183, Mathias, Elsie Doreen.
V-1466181, Mathias, John Eaton Keary.
V-1466180, Mathias, Mark Orson Niguel.
V-1466179, Mathias, Francine Alden Elizabeth.
A-4023968, Mattsson, Ruben Isidor.
A-7121738, Matz, Jack Jacob.
A-6424609, McClarty, Barbara Frances.
A-5838428, McCoy, Mackie or Mike.
A-8010444, Mena, Evangelina Francisca Hernandez Lara aka Evangelina Mena.
A-8010420, Mena Y Abreu, Olalio.
A-7849020, Mendoza-Mora, Bernabe.
A-1496859, Mersliker, Maria Knaus or Maria Knaus.
A-3613713, Mesa y Dorta, Vincente Jesus or Jesus Solis y Mesa.
A-4066647, Mizialek, Walenty.
A-6233818, Mojica, Judith Morales or Judith Morales or Judith Morales de Banuls.
A-6732225, Molina-Gonzalez, Felipe.
0300-319833, Mon, Wing Lung or Mon Gee Mow or David Mon or Mon Yin.
A-6551173, Monreal-Yanez, Roque.
A-7978646, Montenegro, Silvia.
A-8189358, Moutzallas, Gerasimos Demetrios or Mike Moutzallas.
A-9700258, Mow, Chang Siao.
A-6899347, Nesserella, Amanda Hanna.
A-2403236, Nitkin, Max.
A-7948451, Nuqui, Elena Soriano.
1300-118259, Oka, Masahiko.
V-1240484, Oka, Miyuki.
1300-118260, Oka, Naohiko.
A-3364126, Orcutt, Borgia Marcia or Borgia Marcia Woods.
A-7287862, Orsi, Maria Iaci (nee Maria Iaci).
A-7197800, Otero, Jose Benito or Sotero or Bennie Jose Sotero.
A-5123181, Pantaleo, Saverio.
A-1939748, Parada, Ramon alias Ramon Parada Rocende.
A-3577138, Pasquetti, Mario alias Giuseppe Truant.
A-7858180, Pelaez, Jorge Oscar or Jorge Oscar Pelaez y Rodriguez de Cancio.
A-6919791, Perres, Mike or Emmanuel Pyrovolicos.
A-6870388, Pettipher, Frank.
A-6551920, Pimental, Pablo.
A-7780837, Pina, Carmen Rodolfina.
A-7375823, Poldmets, Mart.
A-6463168, Pollak, Bernard.
A-7365168, Preisig, Julia Maria (nee Julia Maria Basto da Silva).
A-7983362, Puleo, Cesare.
A-9527234, Radovich, John alias Ivan Radovich or Radovic or Ivo Rodavic.
A-6133979, Ramirez-Ramirez, Mario.
A-4965967, Ribeiro, Alfredo Gomez.
A-7962042, Rivera, Rodrigo Fernandez.
A-7121713, Roberts, Windel.
A-7383120, Rodgers, Alice Lorane aka Alice L. Rodgers.
A-6292992, Rodriguez, de Scaia, Maria Teresa.
A-1932267, Rogers, Richard.
A-2516837, Roumbinis, Georgios alias George Macris.
A-5441804, Rudnikoff, John.
A-5630941, Rudnikoff, Fannie.
A-8017124, Ruiz, Maria Lydia alias Lydia Ashley.
A-9767915, Rusu, Petre.
A-7048581, Saffory, Elisabeth.
A-9776972, Salomon, Albino or Albert.
A-3713179, Salzano, Pasquale.
A-6377321, Sanchez, Julia (nee Julia Puenta y Lacera).
A-7903013, Scalla-Scalla, Francisco.
A-4445694, Schnoor, Fred Wilhelm.
A-7842264, Schwabe, Rosa.
A-3579221, Schweitzer, Irene Anna (nee Kafka).
A-2155400, Scully, Margaret alias Peggy Dennis.
A-5307653, Scale, Lambert Oswald.
A-5300412, Seto, Fai alias Seto Fai alias Deanna Fong.
A-8117103, Sew, Sue Lin.
A-6724452, Shajli, Shamseddin.
A-2505741, Shatkin, Harry or Harris Shatkin or Henry Shatkin or Harris Shatsky or Hersch Schatzki.
A-8091842, Sideris, Sid.
A-7427180, Sinclair, Randall George.
A-3495728, Sing, Theodore L.
A-3112031, Siskopoulos, George Evanelos or George Poulos or George E. Siskos.
A-5093218, Sorrentino, Bartolomeo.
A-9516787, Spetland, Trygve Einar Bjarne.
A-9825311, Spineto, Giuseppe.
A-4497115, Stachowiak, Kryztyan or Christ Stachowiak.
A-2629094, Stashko, Michael.
0935/8571, Stephan, Elaine Delphine.
A-6917851, Stratis, Demitrios.
A-6660383, Tang, Yu Shang Chang.
A-4382647, Thaler, Max.
A-3470784, Thomson, James.
A-5841917, Tin, Loh Tsung alias Chew Loh Tsung Tin.
A-5858280, Titsidou, Dosta or Tetsidou or Tetsios or Tatseff or Tetseff (nee Yanchiou or Ianchiou also known as Dosta Dimitroff, as Dosta Dimitry or Dimitri and as Dosta George).
A-5143070, Tollaksen, Olga, Charlotte.
A-6248902, Tsamisis, Pauline Kaitery (nee Polyxen James Kaitery).
V-252416, Van Lent, Andree (nee Andree Agnes Desmaris).
A-5825887, Varela, Arturo Lima.
A-6855806, Vestarhis, Leonidas Michael or Vestarchis.
A-4069345, Walther, Wally Erna (nee Wally Erna Hoffman Reich).
A-5129791, Weinberg, Philip.
A-3918533, Weiner, Mary (nee Sherman).
A-9671943, West, Julio Martinez.
A-5094078, Wiesenber, Raizel alias Roselle Starkman.
A-7049128, Williams, Dulcibell Partika (nee Ho Sang).
A-6007009, Wisotsky, Meyer.
A-1897423, Woodham, Cyril William.
A-5090897, Wydryx, Ida Marie.
A-3739101, Yaskransky, Abraham alias Abe Dubitsky.
PR-946510, Yeh, Hsuan.
A-9139290, Ying, Chai.
A-3711168, Yong, Hee alias Yong Kin Si.
A-7983067, Yong, Lee.
A-9511329, Young, Ho or Young Ho alias Cheong Fook Chong.
A-3598307, Huisgen, Julius.
A-4804792, Huisgen, Else Magdalena Steinder.
A-6465789, Morris, Coral Margaret.
A-8001264, Reiwham, Monwipha aka Frances Mary McGowan or Monipipha R. McGowan.
A-7131142, Pacini, Silvano Joseph.
A-6025064, Hende, Naomi or Naomi Alekalaj Hemdel (nee Alcalay).
A-6287119, Vacchina, Giuseppe.
A-6287120, Vacchina, Irene E.
T-2729526, Yannouris, Stergias Ioannis aka Steve John Geannouris.
A-7177104, Baron, Anna formerly Anna Luke (nee Cyszkiewicz).
A-2954969, Chong, Len or Lam Cheung.
A-6858766, Dracos, Demitrios Demetre Panagiotis or Drakos.
A-6858767, Dracos, Catherine (Aikatherine) Demetre (nee Hadjipateras).
A-7962196, Farina, Antonio.
0300-255723, Garcia-Fresno, Maria Del Carmen or Maria Del Carmen Garcia.
A-4695724, Harvey, Ralph.
A-3495462, Hoit George or George Kurzholtz or George Holtz or George Kurzhals.
A-6669706, Hsi, William Arthur or Hsi Yu-Hao.
A-6445059, Hsi, Dorothy Lee or Dorothy Grace Lee.
A-3105626, Lee, Yun or Lee Yun alias Lee You.
A-4773211, Manfredi, Mario.
A-8196300, Rios-Esparza, Juan.
A-6541771, Torres-Fernandez, Felix or Felix Torres.
With the following committee amendments:
Strike out the matter as it appears on page 1, lines 7, 8, 11; page 32, line 18; page 38, lines 11 and 12; page 41, line 5; and on page 66, after line 2, add the following:
"A-7824615, Ackermann, Carolina McDowell or Carolina Peralta or Carolina Peralta McDowell or Carolina McDowell.
"A-3261198, Atteyeh, Zahia Najm or Victoria Atteyeh.
"A-1110134, Parada, Emil Fernandez or Emil Fernandez.

"A-5890316, Johnson, Mildred Louise or Mildred Louise Stroman.

"A-7145947, Robinson, Aileyne."

The committee amendments were agreed to.

The concurrent resolution was agreed to, and a motion to reconsider was laid on the table.

LT. GEN. GRAVES BLANCHARD ERSKINE

The Clerk called the bill (H. R. 5527) to authorize the employment in a civilian position in the Office of the Secretary of Defense of Lt. Gen. Graves Blanchard Erskine, upon retirement from the United States Marine Corps, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That notwithstanding the proviso under the heading "retired pay" in title II of the Department of Defense Appropriation Act, 1953 (66 Stat. 517, 518), Lt. Gen. Graves Blanchard Erskine, United States Marine Corps, upon his voluntary retirement from the United States Marine Corps shall be entitled to receive retired pay, as otherwise provided by law, from any funds available for the retired pay of officers on the retired list of the Marine Corps.

Sec. 2. Notwithstanding the provisions of section 2 of the act of July 31, 1894 (28 Stat. 205), as amended (5 U. S. C. 62), Lt. Gen. Graves Blanchard Erskine, upon his retirement from the United States Marine Corps, may be appointed to a civilian position in the Office of the Secretary of Defense. The appointment shall be made subject to applicable civil-service laws and regulations, including the Classification Act of 1949, as amended. Lieutenant General Erskine's appointment to and acceptance of, the civilian position in the Office of the Secretary of Defense shall in no way affect any status, office, rank, or grade he may occupy or hold as a retired officer in the United States Marine Corps, or any emolument, perquisite, right, privilege, or benefit incident to or arising out of any such status, office, rank, or grade. So long as he holds a civilian position in the Office of the Secretary of Defense he shall receive the compensation of that position under the Classification Act of 1949, as amended, in lieu of retired pay to which he would be entitled as a retired officer of the United States Marine Corps.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

HARRY RAY SMITH

The Clerk called the bill (S. 141) for the relief of Harry Ray Smith.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, notwithstanding any lapse of time or statute of limitations, the Court of Claims shall have jurisdiction to hear, determine, and render judgment on the claim of Harry Ray Smith against the United States for compensation which he would have received as an immigrant inspector, United States Immigration and Naturalization Service, during the period from July 11, 1938, to September 27, 1939, had he not been suspended from the Service during such period, less any amounts earned by him through other employment during such period. Suit on such claim may be instituted at any time within 1 year after the date of enactment of this act.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

WRIGHT H. HUNTLEY

The Clerk called the resolution (H. Res. 255) for the purpose of sending H. R. 1114, together with all accompanying papers, to the United States Court of Claims.

There being no objection, the Clerk read the resolution, as follows:

Resolved, That the bill (H. R. 1114) entitled "A bill for the relief of Wright H. Huntley," together with all accompanying papers, is hereby referred to the United States Court of Claims pursuant to section 1492 and 2509 of title 28, United States Code; and said court shall proceed expeditiously with the same in accordance with the provisions of said sections and report to the House, at the earliest practicable date, giving such findings of fact and conclusions thereon as shall be sufficient to inform the Congress of the nature and character of the demand, as a claim legal or equitable, against the United States, and the amount, if any, legally or equitably due from the United States to the claimant.

The resolution was agreed to and a motion to reconsider was laid on the table.

AV-EQUIP MANUFACTURING CO.

The Clerk called the resolution (H. Res. 256) providing for sending to the United States Court of Claims the bill (H. R. 4661) for the relief of the Av-Equip Manufacturing Co.

Mr. ROBERTS. Mr. Speaker, I ask unanimous consent that the resolution be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

MRS. ALBERTA S. ROZANSKI

The Clerk called the bill (H. R. 5410) for the relief of Mrs. Alberta S. Rozanski.

Mr. ROBERTS. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

CLARA GABRIEL

The Clerk called the bill (H. R. 5511) for the relief of Clara Gabriel.

Mr. ROBERTS. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

The SPEAKER. That completes the call of the Private Calendar.

SECOND INDEPENDENT OFFICES APPROPRIATION BILL, 1954

Mr. PHILLIPS. Mr. Speaker, I move that the House resolve itself into the

Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 5690) making appropriations for additional independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1954, and for other purposes.

The SPEAKER. The question is on the motion offered by the gentleman from California [Mr. PHILLIPS].

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 5690, with Mr. BETTS in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. PHILLIPS. Mr. Chairman, I yield myself 17 minutes.

Mr. Chairman, the subcommittee on the independent offices appropriations brings to the floor this afternoon the second independent offices appropriation bill, or what is in effect the second section of the independent offices appropriation bill. This being the first time we have divided the bill into two parts. That was done, Mr. Chairman, as you will recall, because the budget figures were not available in March for all of the agencies which come before our subcommittee. We now bring before you the figures for the Atomic Energy Commission, for the Selective Service, for the TVA, and for the Veterans' Administration.

The total amount of the bill is \$5,284,369,664, which is a reduction of approximately \$3½ billion from the 1953 appropriation, and a little over \$1 billion less than the original request which we in the Congress refer to as the Truman budget. The sizable amount of the reduction as compared to the present fiscal year 1953 is largely in construction costs and, to a very large extent, in the Atomic Energy Commission.

Mr. Chairman, in the Atomic Energy Commission, the budget figures are, to all intents and purposes, those of the revised budget request. We have made certain general restrictions. In this bill, as in the first bill, we indicated that we wanted a full use made of automobiles now owned by the Government, some of them belonging to agencies which are going out of business; some of them in a group which we believe to have been unnecessary in the past; in the same way we made reductions in the general travel expense, and those enter into the reductions we have made.

In the Selective Service System budget for that agency we have, in effect, accepted the recommendation of the new Budget Director.

In the Tennessee Valley Authority we again accept the major recommendations of the present Director of the Budget.

You will find that in general the controversial issue there will have to do with the reduction of two steam plants which will, I presume, be discussed by other Members of the Congress and which may be discussed again under the 5-minute rule.

Four new units were requested by the Tennessee Valley Authority. The committee accepted the Budget Director's recommendation to eliminate the new steam plant at Fulton, and not to start a new steam plant in the Memphis area, but to continue the third unit, at the John Sevier plant, and the ninth unit at the Kingston plant which, in a way, complete the program already made for those steam plants.

I think it may be said that perhaps there are Members of Congress who feel that it would have been well not to have started those plants, to have depended upon the ability of the private utilities in the surrounding area to provide power. They were started over the votes of some of the Members of Congress, but they were started. These steam plants complete the program.

The Fulton plant, however, is in a different category. The Fulton plant is in an area somewhat distant from the main area of TVA power production.

There is no reason, in the opinion of the committee, why power for that area could not be supplied by increases in private power which is already supplying the Memphis area, or by the production, if necessary, of a steam plant by the municipality of Memphis itself, as other municipalities have done in all parts of the United States.

The Veterans' Administration budget has been discussed at length, both in our offices and on the floor. As you know, I came to the floor, Mr. Chairman, on the 4th of June and made a preliminary statement on what we intended to do. This was approved on June 11, a week later, by the full committee.

We have tried, for the first time, Mr. Chairman—and I say this with some pride—to tie together the number of beds which are being used, which can possibly be activated, securing staff, securing all the attendants, securing all the necessary factors to activate a bed in a veterans' hospital. We have taken the number indicated by the Veterans' Administration as the maximum that they can support and operate, which is 114,315 beds; and we have tied that to the VA's own figure of the cost of operation of those beds, which is about \$555 million. We have said that if those beds are not activated then that amount of money must be reduced proportionately.

We have further separated the amount of money for hospitalization from the large figure which included many items besides hospitalization, and we have made that a separate item in the budget, as you will find.

Never again, in my opinion and certainly this is my hope, Mr. Chairman, never again will it be possible to create a furore, and to subject the Congress of the United States to the misstatements that have been current in the last 2 months. Figures have been given that have no direct relation to the hospitalization program, because we have now taken that single item which appeared before and which, in the Truman budget, was \$921 million, and have separated it into seven items which can be identified as the parts of the main figure applying the different benefits and different functions.

Mr. JOHNSON. Mr. Chairman, will the gentleman yield?

Mr. PHILLIPS. In just a moment, certainly.

We do this in a way as a matter of experiment, but my feeling is that at the end of the year we will come out with more understanding of the problems of the VA and of the administration of the VA.

I now yield to the gentleman from California [Mr. JOHNSON].

Mr. JOHNSON. I think a great deal of the furore that we had a while ago and the things we heard, the claims made that Congress was going to be unfair with the veterans, was based on a misconception. As the gentleman knows, and as I know, following the First World War, the Congress decided that there would be no compensation for non-service-connected disabilities. That principle, recommended by President Wilson, has been in effect to this day. The gentleman will remember, like I remember very well, that later the VA stated that if there were available beds in hospitals, built for service-connected cases, if there were available beds, then those who had disabilities but were unable to prove the disabilities were service connected, that those veterans might occupy those beds. Some people have construed that to mean that the law requires that veterans with non-service-connected disabilities should be furnished beds. I think that is where many persons got a thorough misconception of the whole problem of beds for veterans. I think the gentleman has very thoroughly covered the subject, and I want to congratulate him and his colleagues on the committee.

Mr. PHILLIPS. I thank the gentleman. There are other items in here; there are certain calculations and recalculations. After the bill came out there was a story that we had intended to lower the amount of compensation or pensions. We could not do that if we tried; that is a legislative enactment and we are required to provide the necessary money for it. We did reduce it, we reduced it materially, but we feel we did not reduce it more than the amount that will be required if there is proper administration. If it is not enough, then we will have to grant another amount in the first supplemental bill for calendar year 1954. I observe also that the same letters that say that we had reduced this amount neglected to say that by the same sort of calculation we increased the amount of money for insurance to Korean veterans and for payments of veterans' indemnity.

So, Mr. Chairman, it seems to me that perhaps we would reach a more rapid conclusion if I took time to answer questions rather than to discuss the bill in greater detail today.

I would be unappreciative, Mr. Chairman, if I did not say that it is a very great pleasure to me personally to work with the other six members of this subcommittee. We have had always the finest relationship between the minority and majority, no matter which party was in control of the Congress. I express my personal appreciation to the gentleman from Texas [Mr. THOMAS], the gentleman from Alabama [Mr. ANDREWS], the

gentleman from Illinois [Mr. YATES], and to the fellow members on my side of the table, the majority side, the gentleman from New Hampshire [Mr. COTTON], the gentleman from North Carolina [Mr. JONAS] and the gentleman from North Dakota [Mr. KRUEGER].

Mr. CANFIELD. Mr. Chairman, will the gentleman yield?

Mr. PHILLIPS. I yield to the gentleman from New Jersey.

Mr. CANFIELD. With reference to the \$300 million cut below the budget estimate for the item "compensation and pensions," it is my understanding that this was based on a recalculation of VA requests?

Mr. PHILLIPS. Yes; primarily so.

Mr. CANFIELD. There is no directive of any kind in the bill or in the report which would require the new Administrator of Veterans' Affairs to reduce the compensation and pensions of veterans now regulated by law?

Mr. PHILLIPS. I do not think he could if he wanted to. The gentleman from New Jersey does well to ask that question. But I do not want to have any misunderstanding. Of the \$300 million we reduced it, there would be no argument over possibly \$100 million. That amount would be accepted. On the other hand, the committee put into the hearings a report of our investigators showing that there has been great liberality, perhaps beyond the legal authority of the Congress, in granting some of these compensation cases. We cannot do anything about the legally granted compensation cases, and, certainly, we do not want to do anything about those who are deserving. But there is a question in my mind if a man who had flat feet when he went into the Army and flat feet when he came out of the Army is entitled to draw \$20 a month for the rest of his life. There are cases like that, and they are not unusual cases. All we ask is that when the new Administrator comes in he will see whether that is a field for investigation in reference to economy. If he does not agree with us, we will probably have to provide \$100 million later.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. PHILLIPS. I yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. As I understand it, the report is unanimous on this bill?

Mr. PHILLIPS. Well, not in all details, no. Insofar as the Veterans' Administration is concerned, yes.

Mr. AUGUST H. ANDRESEN. I heard that this committee has conferred with the heads of the various service organizations. Are they in harmony with the action taken by the committee?

Mr. PHILLIPS. I was looking around to see whether the gentleman from Pennsylvania [Mr. VAN ZANDT] is present. When he comes in I shall yield to him to say that the major veterans' organizations met with the Speaker at his request and agreed to the additions made in the bill, also agreed to the areas in which we made savings in order to provide the money that would give more hospitalization for deserving veterans. In one letter which I received yesterday,

the writer of the letter, who was not the chief representative of that veterans' organization at the meeting, neglected to mention one or two points of agreement that were fully understood in the meeting.

Mr. COTTON. Mr. Chairman, will the gentleman yield?

Mr. PHILLIPS. I yield to the gentleman from New Hampshire.

Mr. COTTON. I would like to inquire of the gentleman from California in further reference to the question propounded by the gentleman from New Jersey [Mr. CANFIELD] if, also, in the consideration which led to the reduction of \$300 million in servicemen's benefits, the provision on page 18 of the bill, which was inserted in this bill by the committee, permitting the transfer between the various departments, compensation benefits, compensation pensions, and so forth, up to an amount of 5 percent, enabled us to reduce the appropriation?

Mr. PHILLIPS. I thank the gentleman. That is a complete answer I neglected to give. We put into the bill this year 5-percent exchange between these funds, which will more than protect the veterans about whom the gentleman from New Jersey [Mr. CANFIELD] was asking.

Mr. BROOKS of Louisiana. Mr. Chairman, will the gentleman yield?

Mr. PHILLIPS. I yield to the gentleman from Louisiana.

Mr. BROOKS of Louisiana. Mr. Chairman, I rose to ask the distinguished gentleman a question or two, but since rising I realize how tremendously important this bill is and how much interest there is throughout the country in a proper determination of some of the controversies in this bill. I think, therefore, we ought to really have a quorum here. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] Eighty-nine Members are present, not a quorum. The Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 54]

Abbitt	Garmatz	Morgan
Albert	Gary	Morrisson
Bush	Gathings	Moulder
Byrne, Pa.	Green	O'Hara, Minn.
Case	Halleck	Patten
Celler	Hays, Ark.	Philbin
Chatham	Howell	Powell
Chudoff	Hunter	Rhodes, Ariz.
Coudert	Kee	Shafer
Davis, Tenn.	Kelley, Pa.	Shelley
Dempsey	Kilday	Sikes
Dies	Krueger	Thornberry
Ellsworth	McIntire	Wigglesworth
Fernandez	Marshall	Willis
Fogarty	Martin, Iowa	

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. BETTS, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill H. R. 5690, and finding itself without a quorum, he had directed the roll to be called, when 377 Members responded to their names, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

Mr. PHILLIPS. Mr. Chairman, at the time of the rollcall I was about to yield to the gentleman from Louisiana [Mr. BROOKS].

Mr. BROOKS of Louisiana. I would like to ask the distinguished chairman of the committee something in reference to the action of the committee regarding the financing of a suitable number of doctors to handle the hospitals and the beds that are needed in his program. We have in our section, I know, 2 hospitals, 1 operated to about 60 percent of capacity, and 1 about to close several tubercular wards on account of a lack of doctors. I am asking if the committee has placed in the bill ample funds to take care of the doctors that can be obtained?

Mr. PHILLIPS. The gentleman asks a very good question. We have placed an adequate amount of money in the bill. We have placed in the bill all the beds that the VA said it could activate in the several categories, and all the money the VA said it needed to activate those beds. But money is not everything. We had to pass on this floor, a few weeks ago a bill to draft doctors and dentists for the military, and we have an even worse situation in the Veterans' Administration and in private hospitals. We do not have psychiatrists, we do not have TB specialists, and we have actually paid more than the doctors are making in many areas of the United States. There is a suction into the Veterans' Administration rather than away from it. If the gentleman will realize that, he will realize some of the problems this committee has in figuring out how many beds to authorize and supply money for, in view of the shortage of doctors, nurses, dentists, technicians, and other staff members.

Mr. BROOKS of Louisiana. I am aware of the problem the gentleman had before his committee. I know in the doctor draft bill, we did the almost unheard-of thing of raising the age for drafting of an occupation, the medical profession, to draft doctors and dentists up to 51 years of age. I know there is an acute shortage. But, the gentleman feels he has gone as far as money can go in supplying the needed doctors; is that right?

Mr. PHILLIPS. Yes. My own feeling is that money will be left over at the end of the year.

Mr. ROONEY. Mr. Chairman, will the gentleman yield?

Mr. PHILLIPS. I yield to the gentleman from New York.

Mr. ROONEY. I wish to commend the distinguished gentleman from California upon his action and the action of the committee with regard to the \$555 million appropriation for maintenance and operation of hospitals in the Veterans' Administration.

Am I correct in understanding that under the committee action, in a situation such as the 1,000-bed Fort Hamilton VA hospital in Brooklyn, N. Y., where 180 beds have been vacant for some time because of the failure of the Washington office of the Veterans' Administration to allocate funds to reacti-

vate those 180 beds, that there are sufficient funds in the gentleman's bill to reactivate such beds?

Mr. PHILLIPS. The answer is unquestionably "Yes," unless the difficulty has to do with the inability to get psychiatrists or certain types of personnel. So far as money is concerned, or the intent of the VA, the answer is "Yes."

Mr. ROONEY. It is the intention of the committee, is it not, that in a situation such as I describe, the full capacity of beds will be activated.

Mr. PHILLIPS. It is.

Mr. ROONEY. I wish to thank the distinguished gentleman for his assurance.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. THOMAS. Mr. Chairman, I yield myself 3 minutes.

Mr. Chairman, on behalf of the minority I would like to commend our distinguished friends on the majority for doing a fine job. Chairman Phillips has worked long and hard and certainly has shown more than an ordinary amount of good, common horse sense and good judgment. The gentleman from New Hampshire [Mr. COTTON] added much wisdom to the deliberations of the committee as did the gentleman from North Carolina [Mr. JONAS], and the gentleman from North Dakota [Mr. KRUEGER]. They have been of invaluable assistance not only to their own side, but to the minority as well.

Mr. Chairman, I do not think there is anything in this bill that is going to give the House too much trouble. I can well anticipate four or five items upon which the membership may want some clarification.

The committee is particularly proud of its action with reference to the Veterans' Administration. In the days gone by there has been quite a bit of misunderstanding and confusion in the administration of their business. I think that has been cured by the resignation of certain people in the Administration.

Mr. KEARNEY. Mr. Chairman, will the gentleman yield?

Mr. THOMAS. I yield to the gentleman from New York.

Mr. KEARNEY. I compliment the chairman of the committee and the subcommittee on bringing in this appropriation bill. However, there is one thing I would like to get clear in my own thoughts. As I understood the chairman of the subcommittee on hospitals, the figure with respect to the hospital setup is \$555 million.

Mr. THOMAS. That is correct.

Mr. KEARNEY. I thank the gentleman.

Mr. THOMAS. If I may add one more thought to the contribution of my distinguished friend, that was \$6 million more than the budget of former President Truman and some \$30 million higher than the budget of our distinguished present President.

By that sum of money we intend to keep in operation every single bed the veterans will have during the fiscal year 1954, and that is a total, using round figures, of 114,000. That takes care of the new beds that will come into use this

year and those 2,500 that have been closed down for 5 or 6 months, I might add, without rhyme or reason.

Mr. KEARNEY. I am very glad to hear the gentleman make that statement. In other words, the way the setup is now, every bed that is vacant will be now open under this appropriation?

Mr. THOMAS. Absolutely.

Mr. Chairman, I yield 7 minutes to the gentleman from Florida [Mr. MATTHEWS].

Mr. MATTHEWS. Mr. Chairman, on June 4 of this year, our able colleague, the gentleman from California [Mr. PHILLIPS] made a most informative talk in the House and in his remarks included the following statement, and I quote:

It is a fact, however, that the veteran population has moved westward and that the number of NP beds is not adequate for the present load.

Then later in his excellent address he made the statement:

The neuropsychiatric load has been increasing in the western and southwestern area seriously.

I should like to supplement that statement by saying that the veteran population has also moved to the far south, and that the neuropsychiatric load in my State of Florida, has been very rapidly increasing and our problem there at the present time is a very serious one. The State of Florida's population has increased by over 300,000 since the 1950 Federal census was taken. Thus, our population is now over 3 million, and included in this rapid increase is a proportionate number of veterans who seek our State because of the salubrious climate, the character and charm of our citizens, and the great opportunities which Florida has to offer.

In the city of Gainesville, in the Eighth Congressional District that I have the honor to represent, very complete plans were made for a neuropsychiatric hospital several years ago. Approximately \$1½ million have been spent on the acquisition of land, preparation of plans, and further exploratory work which it was hoped would lead to the building of this hospital. In 1948, President Truman reduced the construction program of VA hospital beds which had been planned by the Federal Board of Hospitalization, and as a result of this reduction, the neuropsychiatric hospital proposed for Gainesville, Fla., was eliminated.

The first question, of course, is will this hospital be needed for Florida? The answer to that is yes. At the present time the ratio of veterans to beds in Florida is 278 to 1, whereas in the United States as a whole, it is 175 to 1. There are only 5 States in the Union which have a higher ratio of veterans to beds than Florida. I will not mention these States, but it is interesting to note that their population through the past several years has been declining whereas the population of Florida has been steadily on the increase. If we consider the neuropsychiatric facilities, we will find that in the United States as a whole, there are 374 veterans for each NP bed,

whereas in the State of Florida there are 3,304 veterans for each NP bed. It is interesting to point out here that over a year ago there were 742 veterans from Florida hospitalized in VA neuropsychiatric hospitals outside of Florida. It is well to note here that these 742 men were transported at VA expense, many of them with 2 escorts, also on mileage and per diem allowance. This item amounts to thousands of dollars annually.

Just this past spring the Florida State Legislature has authorized the construction of a medical school on the campus of the University of Florida, which is in Gainesville, and which is located only about 2 miles away from the proposed site for the neuropsychiatric veterans hospital. Within the next 2 years, the first unit of this medical school will be completed, and we shall have in Gainesville an opportunity to train our doctors and medical leaders. Surely as future construction of hospitals, according to need, is contemplated, the neuropsychiatric hospital in Gainesville should be among the first to be considered. One of the chief objections to some of our veterans hospitals in the past has been their isolation from medical centers.

I mention this problem at the present time because I know that we are thinking in terms of proper economy and that we realize that in the future when hospitals are built, that we should take into consideration their accessibility to medical schools and the possibility of obtaining doctors and nurses to staff these hospitals. From this consideration, I emphasize again that Gainesville, Fla., is a magnificent location. Here we will have a great medical school with all of its cooperating facilities.

I want also to point out that there is one aspect of our great veterans program which is causing me particular concern, and which I think frankly has worried the veterans in my district more even than the hospital program or any of the other great and needful programs administered by the Veterans' Administration. I refer to the difficulty they are having in obtaining loans to build their homes. One of the finest programs administered by the Veterans' Administration is the loan-guaranty program. I should like to quote from Gen. Carl R. Gray, who has just resigned as Administrator of Veterans' Affairs, in his testimony before our Committee on Veterans' Affairs on February 4, 1953:

It is perfectly delightful to me to be able to report to you people who have provided the opportunity for this, how marvelously the veteran has responded from the standpoint of solvency and integrity in meeting his obligations. A total of 3,110,475 loans of all types have been guaranteed through the end of November, with principal value of \$19,033,672,000 in value, and less than 1 percent of these loans have been defaulted. The integrity of the veteran as far as his financial obligations are concerned, is outstanding.

Now, however, despite this splendid record of the veteran he cannot borrow money to build his homes. I thought when the interest rate was increased to

4½ percent, that the program would begin to move, but this is not the case. Some of my friends have told me they suspect the attractive offering of Government bonds with their gilt-edge security and without being supported by the Treasury has encouraged the investment of the large lenders in Government bonds to the great detriment of the veterans' building program. A builder in my district has said that he thinks the problem is that the Veterans' Administration has insisted that the builder who wants to service a loan to a veteran must obtain a loan that will not exceed 4½ percent interest, and he cannot give a builder a discount. Another builder in my district stated that he felt the problem could be solved if the Veterans' Administration gave the veteran's home a proper appraisal and said to the builder, "You have to give this veteran a \$10,000 home for \$10,000," and then say to the builder, "I don't care how much interest you have to pay on your loan, just so this veteran gets the kind of house that he has paid for." This builder then went on to say, he thought that he could borrow money and pay a higher rate of interest by taking a discount on the loan which he would be willing to do. He said further, that if he could not get money at some rate of interest, he would have to go out of business. I pointed out to the builder that some of us were afraid that permitting the builder to get a loan at a discount would amount to legalized larceny, because he would try to pass on his loss because of the higher interest rate to the veteran. The builder replied that this absolutely was not so, because if the Veterans' Administration appraised the house, at its proper value, and insisted that the builder give the veteran the value of the house and further if the veteran attested to the fact that he would pay only those fees and charges allowed by the Veterans' Administration, there would be no legalized larceny. Whatever the answer to the problem is, Mr. Chairman, I know that the veterans in my district are not being able to get money for their homes. Our Committee on Veterans' Affairs has reported a bill to extend the direct-loan feature of the veterans' program for another year, with an additional appropriation of \$100 million. This program, as we know, has been especially helpful for those who live in rural areas far separated from the great lending institutions. I hope this bill can soon be passed. However, I think one of the chief problems is still this matter of getting private money to build these homes. I understand that those who are interested in FHA mortgages are finding the same problem. I mention this matter at this time so that we can all know that as far as our great veterans programs are concerned, that one of the chief problems now is the fact that the veterans of good credit standing cannot get money to build homes which will mean so much not only to them, but to the whole business economy of this Nation. I certainly hope that some steps can be taken so our veterans can once again start building their homes and I might add not only our veterans, but other worthy citizens

who cannot at the present find mortgage money. The gentleman from Ohio [Mr. AYERS] has scheduled hearings on this matter before his appropriate Subcommittee on Veterans' Affairs. These hearings will be held this week and I know this committee will do all that it can to help solve this problem.

(Mr. MATTHEWS asked and was given permission to revise and extend his remarks.)

Mr. THOMAS. I yield 12 minutes to the gentleman from Illinois [Mr. YATES].

Mr. YATES. Mr. Chairman, I have such great respect for my colleagues on the Independent Offices Subcommittee that I hesitate to disagree with them on any issue, particularly to the extent of disagreeing with them by writing minority views to the report accompanying this bill.

However, the one point on which I differed with them is so fundamental, in my opinion, that I have taken this rather unusual course. I wrote minority views last Thursday as a result of the rejection by the subcommittee of an amendment which I offered to the appropriation for at Atomic Energy Commission.

There is no disagreement as to the amount that is involved in the appropriation. There is disagreement only in directives to be given the AEC. It concerns one of the items within the funds that are appropriated for research and development, the development and construction of an atomic reactor.

The Atomic Energy Commission has requested \$7.9 million for research and development of an atomic reactor. This reactor, development of which the committee already has approved—and let me say at this point that there is no dispute among any of the members of the committee that this work should go ahead—we are all agreed that it should. This reactor can be built in 1 or 2 ways. It can be built for a single purpose, namely: The generation of useful power for civilian purposes, or it may be built for a double purpose: not only for the general of useful power for civilian purposes, but for propelling an aircraft carrier as well.

It is my view, and this is the reason for my amendment, that we should direct the Atomic Energy Commission to design and construct the atomic reactor so that it will serve a double purpose, civilian and military, as well.

This is the important point. A reactor which is capable of use in an aircraft carrier is also capable of being used for civilian purposes. The converse, however, is not true. A reactor that is designed to generate power for civilian use cannot necessarily be used in an aircraft carrier. And while it is true from any reactor that we may build we will learn valuable lessons which will serve in the construction of reactors for military purposes at a later date, nevertheless, we are at the present time in the opening stages, in the development and construction of a reactor, where we can without substantial increase in the ultimate cost obtain a reactor which it is anticipated will generate not only power for civilian purposes, but which will also generate power for an aircraft carrier as well. It

is as easy to accomplish the double purpose as the single.

In October 1951, the Joint Chiefs of Staff established as a military requirement that there should be constructed such a reactor and work was begun.

However, this year, when the new Secretary of Defense reviewed his budget, he decided that the military requirement for this reactor was not needed. The military requirement was therefore revoked, and with it the reactor's military purpose. Thereafter, the Atomic Energy Commission appeared before the National Security Council and obtained permission to apply to the Congress for funds with which to build this reactor for civilian purposes. That is the situation at the present time.

If the reactor was not going to be built, it would be one thing, but inasmuch as a reactor is now going to be built—we have approved funds for it—why should it not be built to serve a double purpose? In the current budget the Department of Defense has requested almost a quarter of a billion dollars for construction of a new carrier of the Forrestal class, a request which will undoubtedly be approved by the Congress. If the new carrier is a military requirement—and certainly the Department of Defense would not have approved construction of such an expensive ship if there had not been a military requirement for it—if the construction of this carrier is a military requirement, how then can the Department of Defense take the position that construction of a power plant for an atomic carrier is not a military requirement? This position seems to me to be indefensible.

Why did the Department of Defense change its mind? On May 6 a story appeared in the Washington Post to the effect that the reasons underlying the withdrawal by the Department of Defense for the military requirement for the atomic reactor were: First, economy; and, second, that this reactor could be built by private industry.

In both respects the Department of Defense is wrong. In the first place, the funds of the Department of Defense are not affected in the least by construction of this reactor. This appropriation is chargeable to the Atomic Energy Commission and has no effect on the appropriations for the Department of Defense. Secondly, with respect to its contention that private industry is now ready to build such a reactor, I have checked every source I have been able to find, and I have been unable to find one authority, not one, which will state positively that private industry is capable now of building a reactor of this type. The AEC must still undertake development and construction of such reactors.

Why is my amendment of such importance? I will tell you why it is important. Since the time I filed my minority views on Thursday a story has appeared in the Washington Post of Sunday under the headline "A-Carrier Progress Speeded Despite Reactor Project Ban." And the story says this:

Construction of an atomic-powered aircraft carrier will be speeded rather than delayed by the Defense Department's can-

cellation of its carrier reactor project, high officials at the Pentagon said yesterday.

Now, as far as I can make out, that statement is just so much double talk, just so much verbal legerdemain because I cannot see how the building of an atomic carrier can be speeded by withdrawing funds for the construction of its power plant.

The article goes on:

The Navy, it was disclosed, will go ahead with the nuclear flattop, utilizing modified and enlarged versions of existing submarine reactors.

When I saw that statement in the paper I checked with our Appropriations Committee and found that neither our subcommittee, which has jurisdiction of appropriations for the Atomic Energy Commission, nor the military subcommittee, have received a request for funds for such a reactor and it is well that neither of our committees had received such a request, because if the Navy proceeds to build a reactor which is based upon the theory behind existing submarine reactors it will be a serious and a major mistake, for the reasons outlined in the latter paragraphs of the article. The article itself repudates the contention of the Defense Department. While it is true that the reactor which is being developed to power a submarine can power a submarine, it is extremely doubtful that such a reactor is powerful enough to drive a carrier through the water.

Some more economical means, some other theory of using atomic energy must be adopted in connection with the propulsion of an atomic carrier. We have such an opportunity in this bill. Is it not only ordinary commonsense that if we are going ahead to build a reactor, which can be used for this purpose, if the funds are now being appropriated can be used for a double purpose, for the life of me I cannot see why we should not tell the Atomic Energy Commission: This is the way in which we want the reactor built. We want it built to generate power not only for civilian purposes, but we want a reactor that will power an atomic aircraft carrier as well.

It seems to me, Mr. Chairman, that there is more to the race in which we are engaged with Soviet Russia to attain mastery in the field of atomic energy. We must remember that the field of atomic energy is not restricted to the explosion of a bomb or to an artillery shell. It covers the entire field in which power is used. Atomic energy can be the propelling force for vehicles of war as well as for the weapons of war and this, too, is our competition at the present time with the Communist forces.

I say, therefore, Mr. Chairman, that if we are going to build this plan as we are, we should use it for two purposes—for propelling large ships and for the generation of power for civilian purposes as well. I hope the House will accept my amendment.

Mr. PHILLIPS. Mr. Chairman, I yield 15 minutes to the gentleman from New York [Mr. COLE].

Mr. COLE of New York. Mr. Chairman, at the outset I want to compliment

the gentleman from California [Mr. PHILLIPS] and the members of his Appropriations Subcommittee for the genuine understanding they have shown in their treatment of the development of atomic power as contained in this bill. Much has been said lately on this subject and not all of it has been either accurate or temperate. It is therefore especially gratifying to find that these responsible Members of the House have come to the heart of the matter and are recommending to us action which is, in contrast to some public statements on the subject, both temperate and intelligent.

The House is urged to follow the recommendations made by this committee. We do not yet know whether or not private enterprise is going to put up the capital necessary to build atomic power plants, but it is clear that no one is willing to put up private money now to do the whole job of development, design, and construction. There is equally no doubt that United States leadership in this field of harnessing atomic energy for peaceful purposes cannot be allowed to falter. The insurance contained in this recommended appropriation that atomic power for industrial as well as for military purposes will be developed and constructed is welcomed news indeed.

Almost 3 months have passed since the Joint Committee on Atomic Energy was organized for this Congress. During a large portion of these 3 months the subject of atomic power development policy has been No. 1 on our agenda. We have held 10 separate executive hearings with witnesses from both Government and industry to discuss some of the problems involved.

In general, our discussions have brought out the fact that industry has an intense interest in the development of an atomic powerplant. In one case we were told that a particular industrial group would be ready to put its own money into the building of a powerplant, provided that the Federal Government continue its research and development programs in atomic power, and provided the Atomic Energy Act of 1946 is amended to permit private ownership of fissionable material production plants, and provided we permit patent rights to accrue to private industry. Further executive hearings, and, if possible, open hearings, will be held during this session of Congress.

One conclusion is already clear to me. Apparently the Appropriations Committee has reached the same conclusion. We must not risk loss of momentum, so dearly bought with Federal funds, in the atomic-power-development program. If private money is forthcoming, it should be given every opportunity to participate in atomic-power development. If it is not forthcoming, the Atomic Energy Commission must be given the legal and financial freedom necessary to permit it to carry the ball until private money is ready to step in.

More than 3 weeks ago I addressed a letter to the gentleman from California [Mr. PHILLIPS]—speaking only for myself—in which I tried to sum up the

situation as it stood then. It was not an attractive prospect to anyone sincerely interested in maintaining United States leadership in atomic-energy development. My letter called attention to the fact that the proposed Atomic Energy Commission budget for fiscal 1954, then before the Independent Offices Subcommittee, contained no money for construction of a civilian atomic powerplant.

It seemed to me that the relations of the United States with every other country in the world could be seriously damaged if Russia were to build an atomic power plant for peacetime use ahead of us. The possibility that Russia might actually demonstrate her allegedly "peaceful" intentions in the field of atomic energy, while we are still concentrating on atomic weapons, would be a major blow to our position in the world. It could even disrupt the continued operation of our own atomic weapon plants—disrupt them by stimulating friendly countries to slow down the flow of vital uranium they now sell us in order to avoid the politically irresponsible and factually erroneous charge that they are selling their atomic birthright for a few American dollars.

I wrote to the gentleman from California [Mr. PHILLIPS] because I firmly believed—and I still believe—that the point had been reached where no other part of our Government was in a position to act so as to protect the broad United States interest in this matter.

Now what has been the history of atomic power development? The first atomic power project began under the Manhattan engineer district in 1946 at Oak Ridge. It failed a year later because of the inadequacy of the existing scientific and technical data. The second atomic power project ran its course from 1948 through early 1950 at the Knolls Laboratory in Schenectady, N. Y., under a contract with the General Electric Co. It was never built because of the excessive cost in prospect for this design. The data was salvaged and is being used in the submarine intermediate reactor prototype now under construction. The third effort, in 1951–52, consisted of getting five groups of private companies to study the prospect for privately financed projects. All five groups have expressed interest, but none have offered to put up construction money without strings attached at this stage of development.

Last fall, the Commission proposed to the Bureau of the Budget that it include some construction money in its fiscal 1954 budget to start building full-scale, power-breeder reactor. This was turned down on economy grounds. Then the Commission proposed to the National Security Council that money be included in the revised fiscal 1954 budget for beginning construction of a pilot plant to produce 7,500 kilowatts of electric power. The National Security Council turned this down on the grounds of economy.

Finally, Navy plans for an atomic powerplant prototype for an aircraft carrier were reviewed by the National Security Council and the Department of

Defense and were eliminated as too long-term for the current budget. This so-called CVR aircraft-carrier project happens to coincide with many aspects of commercial atomic-power development. It was the last-ditch stand from which the Commission hoped to draw the design and operating experience for stimulating private commercial atomic power development.

Cancellation of the aircraft-carrier reactor resulted in an appeal from the Commission to the President, and in a special appearance by the Commission before the Joint Committee at the request of the committee. As a result, a modified civilian version of the aircraft carrier reactor to produce 250,000 kilowatts of electric power was put back in the fiscal 1954 budget now before the Congress. But the budget as finally submitted contained only \$4,200,000 for continuation of research and development on this reactor, and nothing for construction.

I believe that it is not only ridiculous but dangerous beyond our ability to foretell that we should now appropriate over a billion dollars for continued atomic weapon supremacy and yet allow nothing to start building at least one atomic-power plant for peacetime use. This is not an act of economy, but of folly.

I am sure we all agree it would be folly to invite the Soviets to take atomic leadership away from us in the weapons field. Equally so would it be folly to let them take leadership in the atomic power field. It is easy to imagine the effect of an announcement from Moscow that they had developed atomic power, and were ready to make their knowledge available to all comers. World faith in the West would be shaken to the core, for America symbolizes a better way of life to most of the nations of the world and in the eyes of those who are without adequate power resources, atomic power is the touchstone to achievement of the American standard.

But what is not so easy to imagine is the other side of the coin.

What would happen if it was from Washington rather than from Moscow that the announcement came of the achievement of atomic power, and that the United States stood ready to show the rest of the world how they could obtain electric power in plentiful quantities. Why, Radio Moscow would burn out its transmitters saying that our offer was a trap, an offer of a greedy profiteer, and of a henchman of Wall Street. The power hungry nations of the world would be at the doors of American embassies wanting to know how quickly they could share in this great advance. The Soviets would be forced to devote much of their effort toward catching up with our atomic power development. In a real sense this would dilute the effort that Russia with her limited atomic resources could devote to weapons.

We have seen Russia respond to the stimulus of competition in the field of atomic weapons. Everything we do they have to try to do better for the sake of their pride and their struggle for world leadership. We hear talk about the competition that private enterprise can

bring to this field. Here is real competition, in the peacetime side of the atom where the whole world will benefit, competition between the United States and the Soviets to bring atomic blessings to the world. Here is the starting gun of an atomic power race, the successor to the atomic arms race, a contest deserving our fullest effort.

These thoughts may be visionary, but I say they bear directly upon the money bill before us today for what we decide here will set the course of future atomic power development for the next decade. The oft-repeated public statements that private companies are ready and willing now to put up private capital to do this job of atomic power development without qualification are just not true. The joint committee has been examining this thesis for 2 months. A mere trickle of private money will be available, and that only when the law is changed and only after the Congress has had opportunity to debate the broad issues of private ownership, patents, and security.

I would therefore like to add my most sincere personal recommendation to that of the Independent Offices Appropriations Subcommittee in favor of allowing the Atomic Energy Commission to start construction of a useful atomic power plant prototype in the coming year. I have the strongest assurances from the Commission that they will make every possible effort to avail themselves of any offers of cooperation by private capital which may be forthcoming and will make every effort to insure that the interest of the public and of all of industry are adequately protected. There is tangible hope that private capital may be available for at least the nonatomic portion of the power plant. If this should prove correct, the Federal contribution for a completed plant would be not \$70 million, but somewhere between \$20 and \$57 million, and the contribution from private industry would be from \$15 to \$50 million depending on the details of the plan acceptable to all parties concerned, including our watchdog joint committee.

Scientists and engineers the world over have declared commercial atomic power possible now. I do not know whether the first civilian power plant will produce power at less cost than conventional plants it may. Nobody knows, and we will never know until we build one and find out. We must be about the business of building at least one plant as a demonstration to American industry and to the world that it is possible, and truly practical.

This proposed appropriation provision would insure that we could indeed get about that business and start building at least one atomic power plant while the broad debate looking toward the longer future goes on to a fair and equitable conclusion.

Mr. COTTON. Mr. Chairman, will the gentleman yield?

Mr. COLE of New York. I yield to the gentleman from New Hampshire.

Mr. COTTON. Mr. Chairman, first, on behalf of the subcommittee, I would like to say to the gentleman that we are deeply appreciative of the help he has

given us in the consideration of this all-important matter. We admire his grasp of this problem, his devotion to it, and we have, as the gentleman knows, inserted in this bill directions which will point the way and free funds to be used for the purpose. As a Representative from New England, an area that is power hungry, may I say that the development of atomic power for civilian use means very much to us. I thank the gentleman for the splendid work he is doing in this cause.

Mr. COLE of New York. I appreciate the gentleman's generous references.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. COLE of New York. I yield to the gentleman from Illinois.

Mr. YATES. I was interested in the statement the gentleman made concerning the activities of his committee at the present time in looking into the possibility of obtaining private enterprise for the development of atomic energy. Did I understand the gentleman correctly in his statement that as of the present time it appears there is only a trickle of funds that would be interested in developing this particular field, and that for the foreseeable future, as far as we know, the work will have to be done through the Atomic Energy Commission?

Mr. COLE of New York. That is not exactly what I said. I said that if nothing is done by way of changing the law, if things are allowed to carry along as they are now, only a trickle is available. It has been indicated, however, that substantial sums might be available if the law is changed in certain fashions, making it permissible and legal for the producers of private capital to own fissionable production plants, to own the material, to generate the power, and to have the benefit of any patent applications they may develop as a result of their work. There is indication of the availability of certain private capital, but it is a conditional availability.

Mr. YATES. The Atomic Energy Commission, with the funds that have been provided in the last fiscal year and with the funds appropriated in this bill, will develop and construct a reactor which is susceptible to the generation of power for civilian use, we hope; at least, that is its goal. Does the gentleman agree with the position I have taken, that as of the present time, however, the direction in which this reactor should be developed should be for a double purpose, namely, for the generation of power for civilian purposes but as well for the development of a plant which will power the driving shafts of large ships, such as aircraft carriers?

Mr. COLE of New York. I listened very carefully to the gentleman's statement, and, frankly, I could not find the basis of his disagreement with the provisions contained in this bill. The bill states:

That in addition to funds allocated for research and development for a reactor which will advance technology toward both ship propulsion and the generation of industrial power—

Which I understand is the very thing the gentleman seeks to achieve—

and for design of such atomic-power reactor, the Commission may expend from funds provided under this head such sum as may be necessary, not to exceed \$7 million, for beginning construction of such reactor—

This means a reactor which will advance technology toward ship propulsion and power production. Therefore, the only difference I can see is that the gentleman would prefer to authorize \$7,900,000 in contrast to the committee's authorization of \$7 million.

Mr. YATES. If I may explain my position, there are two funds involved in this bill: One is a fund for research and development; the other is a fund for construction purposes. It is necessary to separate these for appropriation purposes. The language the committee has used is to that portion of the bill which deals with funds for construction purposes. The amendment which I propose to offer on the floor tomorrow deals with the funds that are to be used for research and development. If the gentleman will note now the language which he read, he will see that it states: "in addition to funds allocated for research and development." That comes in at a prior part of the bill. It is at that part of the bill that I hope to present my amendment.

Mr. COLE of New York. May I ask what is the gentleman's interpretation of the language in line 13, where it authorizes \$7 million for the beginning of construction of such reactor? What kind of reactor are they talking about except one which directly relates to ship propulsion and power development?

Mr. YATES. The \$7 million will be used for these purposes as part of the construction fund: First, for the drafting of engineering and architectural plans for the construction of a building; and, second, for the construction of a building itself. The funds to which my amendment is to be offered are for actual research and development funds themselves, which precede the making of the plans and the construction of the buildings. So there are 2 purposes for 2 different types of funds. But still will the gentleman not agree with me the language used in this particular section which states a reactor which will advance technology both for ship propulsion and the generation of industrial power merely says this: that no matter what type of reactor the Atomic Energy Commission develops, if it is only for the generation of power for civilian purposes, that in itself will increase the advance of technology for a reactor which may subsequently be built for an aircraft carrier? The contrary would be true, however, in the event the funds which were appropriated were directed for use for construction of an aircraft carrier, in which case it could not be used for civilian purposes at all.

Mr. COLE of New York. I gather the substance of the gentleman's statement and it is not necessary to continue it. The net of my statement is that whatever interpretation may be applied to this provision which is included in the appropriation bill, it is measurably better than the budget which was submitted to the Congress by the executive

department. I am a bit fearful that we may lose sight of the woods in order to focus our sights on some of the trees if we are to pursue the argument advanced by the gentleman from Illinois. As far as my interest and my concern are affected, the provisions submitted by his committee contained in this bill are adequate. It will mean we will continue with the scheduled program of building one of these power reactors and incidental to that learn valuable lessons about using a reactor for ship propulsion. The thing that disturbed me was the proposal to cut out all funds for the construction of a reactor which would generate power. I feel very deeply it is important for us to maintain our position as pioneer in the atomic field and to prove to the world we are just as interested in making use of atomic force for peaceful, constructive, and positive and useful purposes as we are for destructive purposes.

Mr. PHILLIPS. I just want to point out in the figures mentioned by the gentleman from Illinois \$4,200,000 is already allocated for research work on the prototype of the reactor the gentleman from New York is talking about. This is experimental work on a prototype for a useful, civilian purpose, and the balance of the amount of \$3.7 million which the gentleman from Illinois mentioned is also in the research fund.

Mr. YATES. Of that fund approximately three-quarters of it is for reactors of all types including the submarine reactor and the aircraft reactor and \$1.7 million are for actual cancellation costs attributable to the cancellation of the reactor work which was started last fall.

Mr. PHILLIPS. As the gentleman from New York knows the Atomic Energy Commission has said that money, both that which was originally in the bill and that which the subcommittee put in, will be used for the development of a reactor suitable for use either with large ships or for industrial purposes. I concur with the gentleman from New York in the belief that this is the best way to handle that situation.

Mr. COLE of New York. Let me conclude by simply pointing out that even though the funds are appropriated for this purpose it does not mean necessarily that the money is going to be spent for that purpose. It is going to require continued watchfulness on the part of the Congress to see that the money is actually spent because under the present arrangement, it is conceivably possible for an economy-minded administrator to deny the commission the use of the funds for this purpose. But, if that decision is made in the executive department, in my view, it would be evidence of an extreme type of blindness and a lack of realization of the importance of this program to the maintenance of our position in world affairs.

Mr. Chairman, I yield back the balance of my time.

Mr. THOMAS. Mr. Chairman, I yield to the gentleman from Alabama [Mr. ANDREWS] such time as he may require.

Mr. ANDREWS. Mr. Chairman, first I should like to say that I think this is a

good bill, with one or two exceptions. So far as the hospital program for the veterans is concerned, I have no doubt but that there will be an adequate number of hospital beds operated by the Veterans' Administration during the fiscal year 1954. As a matter of fact, we attempted in every way possible to find out from the officials of the Veterans' Administration first, how many beds can they operate in the GMS hospitals, and the TB hospitals, and the NP hospitals. Next, how many domiciliary beds can they operate; and how many contract beds can they operate.

We took the figures given us by the Veterans' Administration officials, and next we asked how much money will it cost to operate this number of beds. In each case we have allowed in this bill the amount of money that the Veterans' Administration officials tell us will be necessary to operate the maximum number of hospital beds. So if, in 1954, any hospital beds are closed, any hospital wards are closed, any doctors are fired, any nurses or technicians are fired, it certainly will not be due to a lack of appropriated funds by the Congress.

When the bill is read under the 5-minute rule, I propose to offer an amendment to strike from the bill certain language that makes it impossible for the Directors of the Tennessee Valley Authority to move their administrative offices from Knoxville, Tenn., to Muscle Shoals, Ala.

As you know, the Congress created the TVA by an act in 1933. In the original act, as I recall section (j), provision is made for the principal office of the administration to be located in the vicinity of Muscle Shoals, Ala. The language of that act says that the principal office shall be located in the vicinity of Muscle Shoals; which, in law, as you know, is mandatory.

The law provides that the affairs of the TVA will be administered by a board of directors. There are three members of that board. Under the law, the directors have authority to do all things necessary toward the efficient and effective operation of the TVA.

For many years, since the creation of TVA, the administrative offices have been located in Knoxville, Tenn., which is on the far eastern fringe of the territory served by TVA. The administrative offices in Knoxville are housed in 8 or 10 buildings scattered throughout the city of Knoxville. Each Director of the TVA has told our committee that in his opinion the affairs of the agency can be conducted more economically and more efficiently from one building, operating under one roof, operated from Muscle Shoals, Ala.

Why should the Congress step in and with the language that I hope to strike out by an amendment, say to the board of directors, men who have done a magnificent job in the operation of TVA, men who are unquestioned so far as their integrity or their ability is concerned—why should the Congress come in and say to those men, "We do not want you to move those offices"? If we begin legislating here about the internal matters of TVA, then I suggest

to you that the time has come that we abolish the board of directors, just let Congress create a committee and run TVA. So tomorrow when I offer my amendment to strike that language from the bill I certainly hope that you will listen to the argument that will be advanced at that time as to why those offices should be moved.

And I want to say this in closing, Mr. Chairman, that with me this is not a personal matter. It is nearly as far from Muscle Shoals to my district as it is from here to Muscle Shoals, and there is not one kilowatt of electricity that goes into my district from TVA. But I say that it is a matter of principle, that if we entrust 3 directors with the expenditure of some \$400 million of the taxpayers' money a year, and if we charge them under the law with the duty of operating TVA, certainly we should rise above any political attraction that might be involved in this case and give those directors the privilege of putting that office where they say it should be located and from where they say they can operate more effectively, more efficiently, and more economically.

Mr. PHILLIPS. Mr. Chairman, I yield 5 minutes to the gentleman from Tennessee [Mr. SUTTON].

(Mr. SUTTON asked and was given permission to revise and extend his remarks.)

Mr. SUTTON. Mr. Chairman, I have the highest respect and esteem for my good friend from Alabama, the gentleman who just preceded me. Naturally he is interested in moving industry into Alabama, just like we are interested in keeping it in Tennessee; so there is more than meets the eye to this problem of the amendment that will be offered to the appropriation bill.

Let us get on to some facts and figures, though, and see what the story actually is on this proposition of moving the TVA office to Alabama; and I might say, Mr. Chairman, that Knoxville is some 300 miles from my home and my home county; Muscle Shoals is only about 28 miles. From a personal standpoint it would be better for me to have TVA headquarters in Muscle Shoals, it would help my home county, we might have some people employed down in TVA headquarters if it were at Muscle Shoals. But this is larger than any personal question. Now is the time to start economizing if we are going to have economy in this Government, and one of the points last November that brought this administration into power, one of the reasons why the electorate decided that General Eisenhower was to be President was the point of economy. So let us look at this from the standpoint of economy instead of the personal standpoint.

There are 14 major TVA dams in Tennessee; only 3 in Alabama. There are two new dams under construction right now in Tennessee; there are none under construction in Alabama. There are 6 major TVA steam plants in Tennessee; there are 2 in Alabama. Also, there are 2 new TVA steam plants under construction in Tennessee; only 1 under construction in Alabama. There are 865,000 customers served in Tennessee by TVA;

there are only 143,000 served in Alabama by TVA. The TVA plant investment in power facilities in Tennessee is \$478 million; there are only \$157 million of such investments in Alabama.

You see where the investment is. You see where TVA is. It is not in Alabama; it is in Tennessee. Three-quarters or more of it is in Tennessee, not in Alabama.

Let us look at what my friend the gentleman from Alabama [Mr. ANDREWS] says, to the effect it must go to the Muscle Shoals area. Any time you incorporate under the Delaware law or any other State law, it says in your corporation charter it is mandatory that the seat of it shall be in that State. If you were incorporating in Tennessee or in Alabama under Delaware law, your headquarters by your charter would be in Delaware. How many people do that? There are common factors in any corporation law, so the wording in that was taken from the corporate law.

Mr. BAKER. Mr. Chairman, will the gentleman yield?

Mr. SUTTON. I yield to the gentleman from Tennessee.

Mr. BAKER. Is it not true that at the time the TVA Act was passed in 1933 only one dam was completed. That was the Wilson Dam, at Muscle Shoals?

Mr. SUTTON. That is exactly right.

Let us go a little further and look at the contemplated move into Alabama. TVA is trying to obligate us for the sum of \$7 million for a building. Those who want to move to Alabama will say: "We will get that money back." But let us see whether we will or not. They are trying to obligate us for \$7 million, 120,000 square feet they are asking for in this building in the Muscle Shoals area. They only have 86,000 square feet in Knoxville now. But they will not close down those offices and give up that 86,000 square feet in Knoxville. So it is 120,000 square feet with \$7 million additional to what it has today. So on top of the 86,000 square feet that they now have in Knoxville they are asking for 120,000 square feet more, which will be \$7 million more than what it actually costs now.

From an economy standpoint I do not see how anyone could oppose keeping the TVA headquarters at Knoxville, Tenn., because that is the center of TVA facilities, it is its headquarters, which have proven effective. To move it down into Alabama would cost an additional \$7 million, plus moving people around all over the country, and disrupting the great city of Knoxville as well as Muscle Shoals.

Mr. BAKER. Mr. Chairman, will the gentleman yield?

Mr. SUTTON. I yield to the gentleman from Tennessee.

Mr. BAKER. Does the gentleman know of any reason in the 20 long years that TVA has had its headquarters in Knoxville for the sudden decision to move it down into Alabama?

Mr. SUTTON. Other than what Mr. Clapp says, it is none of Congress' business, that they will put their offices wherever they want to. No one in Congress was consulted and I think the sub-

committee on appropriations should have been advised on any intentional move until TVA does not require Congress to appropriate additional funds. When that time comes then TVA in my estimation can make all of the decisions. Until that time I believe TVA is obligated to the Congress of the United States.

Mr. Chairman, I hope this committee and the Congress will leave the headquarters at Knoxville, Tenn.

Mr. PHILLIPS. Mr. Chairman, I yield myself 1 minute to answer a question to be asked by the gentleman from New York.

Mr. DORN of New York. I appreciate very much the gentleman's yielding for me to ask a question. On June 4, the gentleman from California made a very excellent speech, and in answer to certain questions I addressed to him then with reference to the Fort Hamilton Veterans' Administration Hospital he told me that the appropriation of \$550 million would adequately take care of opening all beds in the Fort Hamilton Hospital at Brooklyn, N. Y., a veterans' hospital. May I ask him now if there have been any changes in his statement since that time?

Mr. PHILLIPS. There have been no changes in the situation. The gentleman from New York will remember that I said I could hardly commit the Veterans' Administration to the number of doctors, the staff, and so forth, necessary, but it is the intention of the Veterans' Administration to open that hospital. It is the desire of the committee that it should be opened, and if the gentleman will remember I said if I were in his place I would say that to my people.

Mr. DORN of New York. Then, if we can find additional doctors and additional nurses in New York or in Brooklyn to staff the hospital, the total number of beds should be opened, because the money is contained in this \$555 million.

Mr. PHILLIPS. The gentleman is correct.

Mr. DORN of New York. I thank the gentleman. I want to state in behalf of the veterans in Brooklyn that they thank the committee very much. They have been working on this matter for the past 2 years, and I know that they fully appreciate this appropriation.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. THOMAS. Mr. Chairman, I yield 9 minutes to the gentleman from Alabama [Mr. JONES].

(Mr. JONES of Alabama asked and was given permission to revise and extend his remarks.)

Mr. JONES of Alabama. Mr. Chairman, I regret, indeed, that this has become apparently an issue between the State of Alabama and the State of Tennessee as to where the headquarters of the TVA should be located. I would like to appeal to you on a broader basis, however, because this will not resolve the question before the committee today.

The second proviso in the TVA item of the bill prohibits the use of any funds available to TVA to acquire a building for administrative offices so long as the annual appropriations for power purposes exceed the amounts which TVA re-

pays to the Government on account of the Federal investment in power facilities. I believe it clear that it is wrong in principle for Congress to decide where the main offices of a regional agency can be most effectively located when the agency itself has made a good faith and well-supported decision as to how it can best carry out the activities entrusted to it by Congress. In addition to this objection in principle, however, I think it is apparent from the language of the proviso as well as from the language of the committee report that the limitation is inept in draftsmanship and punitive in intent. Such an action would not meet the standards of dignity and statesmanship which the country has a right to expect from Congress. I shall attempt to point out in the brief time available to me some of the specific weaknesses of this provision.

First. Nowhere in the report is there a statement that the move of the central management staff from Knoxville to Muscle Shoals would not be in the interests of sound, economical, and efficient administration. The record made before the committee demonstrates that the move is in the interests of TVA and of the Federal Treasury. The Bureau of the Budget has reported that the building transaction negotiated by TVA is a favorable one. Congress is therefore asked to take this action without the committee being willing or able to give a single supporting fact as a basis for the action. If there are any reasons for the committee action they are evidently reasons which the committee is unwilling to put in print. So far as I know this is the first time that the committee has proposed a major limitation without even having claimed that its proposal makes sense, much less assigning any sensible reasons for it.

Second. The committee did not play fair with Congress when it prevented the acquisition of any office building until TVA power repayments equal TVA appropriations. This makes it seem as though the TVA staff was being moved as a matter of personal pleasure or reward. On the contrary, many of the TVA staff will move at substantial personal hardship. They are moving in order to do their job more cheaply and more effectively. Whether power repayments are equal to power appropriations has nothing to do with the case, or at least, any relationship is just the opposite of that implied by the proviso. The move will result in better and more economical administration of the TVA program and, therefore, will hasten the day when repayments and appropriations will come into balance. The limitation, therefore, obstructs and hinders the very thing it would seem on its face to encourage.

Third. This proviso has one purpose and one purpose only, to keep the payroll of the TVA Board and the central management staff within the Second District of Tennessee, and to punish the effrontery of the TVA Board for making the decision to move in order to improve efficiency. Its purpose is to create a captive payroll for the city of Knoxville. In proposing this limitation, questions of how agencies of the Government can function best, and questions of the ap-

propriate relationship between Congress and its administrative agencies, went out the window. This is demonstrated on the face of the bill and on the face of the report. What interest have you as Members of Congress in insisting that TVA work at the wrong location, that it waste the money appropriated for it, that it reduce the effectiveness of the programs entrusted to it, just so that the Second District of Tennessee will be able to keep a payroll?

Fourth. Of course the committee did not dare spotlight its willingness to force the work of the Government to be done at the wrong location and its determination to overrule a decision of the TVA Board made after long study and supported conclusively in testimony before the committee. The committee had to put a gloss of generality, a gloss of principle, on this action. In doing so it has made matters even worse than they would have been if it had frankly provided that the TVA Board and the TVA staff in Knoxville should be prisoners of the city. In attempting to provide a general formula for a wrong act committed for a wrong purpose, the committee covered under the proviso many transactions which go far beyond the committee's intent. They have not only prohibited the acquisition of a building at Muscle Shoals for the TVA Board, they have prohibited the acquisition of a building anywhere for administrative purposes. What is an administrative office? I suppose it could be argued that any office with a typewriter and a telephone is an administrative office. Remember that in the normal course of TVA's operations, with workloads fluctuating from place to place as one dam or steam plant is completed or another begun, staff must be moved all the time, and in normal course there are thousands of transfers every year. In order to trap the TVA Board in Knoxville the committee has been reckless enough to insert language which could be construed to prevent the acquisition of a building anywhere to house any type of administrative personnel.

Fifth. Although the proviso itself is limited to the acquisition of a building the punitive purpose of the provision is demonstrated beyond question by the provision in the report that "no steps should be taken to move the office personnel located in Knoxville to a new location." Here the committee has given away the show. It has demonstrated that it is not interested in whether the building transaction is a good one or a bad one, or even whether there is to be a building transaction at all. The TVA Board and staff are prohibited from moving even if quarters were to be provided for them at Muscle Shoals rent free. The committee here is saying in words that cannot be misconstrued that regardless of considerations of convenience, economy, or program administration, that no matter how bad a location Knoxville may be or how much worse it may become, that no matter how severely the TVA program may be crippled by forcing the Board to function from Knoxville, that in Knoxville it must stay and the public interest be damned.

Sixth. In requiring the TVA Board to remain in Knoxville the committee, whether intentionally or not, has given Knoxville landlords a tight monopoly on TVA office-space requirements. There is no surplus office space in Knoxville, but in the past TVA has been able to negotiate leases which reasonably protected the Government's interests. If this provision remains in the bill, what could TVA do if the landlords next year doubled or tripled or quadrupled the rents? TVA cannot move from Knoxville and it cannot build a building in Knoxville. This proviso may create some new millionaires in Knoxville, sucking their wealth from the Public Treasury because of this misguided and ill-intentioned effort to hamstring TVA and keep a payroll in Knoxville at any cost.

Seventh. There are 2,000 TVA workers in Knoxville and in the past there have been thousands of transfers between Knoxville and other locations. The bill and the language of the report have been so ineptly drawn that they can be construed as freezing in the Knoxville location every individual who may be now working in Knoxville and who may be hereafter transferred to Knoxville or be employed at Knoxville. I am sure this was not the committee's intent, but the situation serves to demonstrate how wrong actions are multiplied in the effort to defend them, and how every effort to rationalize and justify a wrong action simply creates new wrongs. This provision is not only wrong, it is absurd and ludicrous. It cannot be defended except in terms of the most shortsighted party politics and disregard for the public welfare. I cannot believe that Congress will sustain this action of the committee.

Mr. PHILLIPS. Mr. Chairman, I yield 5 minutes to the gentleman from North Carolina [Mr. JONAS].

Mr. JONAS of North Carolina. Mr. Chairman, I have no desire to get into an argument between the two great States of Tennessee and Alabama. I have no interest in Knoxville, Tenn., or Muscle Shoals, Ala. I have served with pleasure on the subcommittee with my distinguished friend, the gentleman from Alabama [Mr. ANDREWS], who spoke earlier this afternoon. I have learned to appreciate his sterling qualities and to admire his ability. Ordinarily, I would be happy to go along with him on most any subject, and I do not know of any we have had disagreement about in the subcommittee.

But because of some of the remarks that have been made here this afternoon bearing upon what motivated the committee in its decision on this particular subject, I would like to take a minute or two to explain my own attitude and my own position. There is no question here of deciding where Tennessee Valley Authority headquarters shall remain permanently. I would agree with my friend, the gentleman from Alabama, that Congress should not enter into a debate on that proposition once TVA begins to stand on its own feet and operate as a corporation ought to operate. But so long as TVA continues to come back here and ask the American people to appropriate a quarter of a billion dol-

lars a year to enable it to expand its activities, then I think we as custodians of the public purse, have a right to express an opinion to TVA as to where they shall maintain their headquarters.

And why do I say that? I say that because there are 500 families and approximately 2,000 people in Knoxville, Tenn., who will be forced to dispose of their property and transplant them down to the State of Alabama. And despite all the denials that may be made about it, if the past is a pattern for the future, it will not be many years until this House will be urged by the people of Muscle Shoals and vicinity, because this will have then become a federally impacted area, to help them build schools and hospitals and roads, and other installations. And you know that is true just as well as I do, despite all the denials that have been made about it.

Of course, they came in before our committee—the representatives of that community—and they said, "Oh, we are able to absorb this influx of 2,000 people."

That is only the beginning, bear in mind, ladies and gentlemen of this committee. This is only the first step in a plan that the gentleman from Alabama [Mr. ANDREWS] says has been in the minds of the Directors of the TVA since 1933.

So we are saying in this provision that until TVA is able to stand on its own feet and will no longer have to come back to Congress every year for hundreds of millions of dollars, they ought not to take such a fundamental step as to disrupt the lives of several thousand people in Knoxville and move them down to Muscle Shoals. That is the reason I voted to put that provision in the bill.

Mr. JONES of Alabama. Mr. Chairman, will the gentleman yield?

Mr. JONAS of North Carolina. I am glad to yield to my friend from Alabama.

Mr. JONES of Alabama. The gentleman made the statement of the habit of the TVA of coming back to Congress every year for appropriations. Does the gentleman know how TVA could fail to come to the Congress for appropriations?

Mr. JONAS of North Carolina. Surely; I know how; by operating efficiently. It is more than a billion-dollar corporation. Why can it not stand on its own feet?

Mr. JONES of Alabama. The gentleman from North Carolina knows as well as I that the language in the TVA acts compels it to come to Congress. In the 80th Congress we wrote a provision of repayment for TVA, and naturally it has to come back, because it cannot make the expenditure of funds for capital improvements—

Mr. JONAS of North Carolina. Does the gentleman know that the TVA will have an income this year of \$175 million from its own activities?

The CHAIRMAN. The time of the gentleman from North Carolina has expired.

Mr. PHILLIPS. I yield the gentleman 2 additional minutes.

Mr. JONAS of North Carolina. Do you know that the TVA, from its own operations, will have an income of \$175 million this year?

Mr. JONES of Alabama. Did it not give an accounting to the Congress and to your committee of its activities?

Mr. JONAS of North Carolina. Of course it gave accounting; but it came in and originally asked for \$254 million more this year to build additional steam plants and to expand its activities.

Mr. JONES of Alabama. It would have to expand if it is to perform the service required of it by law.

Mr. JONAS of North Carolina. It should do its expanding from its own funds and not expect the taxpayers of the country to continue to provide the funds. Private utilities find the money to pay for their expansions.

Mr. JONES of Alabama. It is not an ordinary public utility; it is a Government creation.

Mr. PHILLIPS. Mr. Chairman, will the gentleman yield to me?

Mr. JONAS of North Carolina. I yield to the gentleman from California.

Mr. PHILLIPS. I thought perhaps the gentleman would like to call the committee's attention to the fact that during all this discussion, when it had obligated the Federal Government to some \$7 million as a possible future debt, the TVA did not at any time mention this fact to the subcommittee on independent offices, even though it had signed a contract 2 days before they came before us.

Mr. JONAS of North Carolina. That is correct. The officials of the TVA came before our committee on the 12th day of the month, and 2 days prior to that day they had signed the contract; and they never mentioned that fact, as fundamental a fact as lifting up bodily 2,000 people and disrupting their lives and moving them into another State.

Mr. GAVIN. Mr. Chairman, will the gentleman yield?

Mr. JONAS of North Carolina. I am glad to yield to the gentleman from Pennsylvania.

Mr. GAVIN. I want to compliment my very distinguished and able friend on a very forceful and forthright statement. This TVA has been misused around here for a long time and I think it is about time that some action is taken by this Congress to reexamine the whole TVA situation. Let us find out what it is all about and whether or not it is standing on its own feet, or whether it is being subsidized by the American taxpayers for benefits for that particular area.

Mr. JONAS of North Carolina. The answer to that, if the gentleman will permit me to say so, is very clear in the record. Despite the fact that Congress has given TVA more than a billion dollars, and despite an income of \$175 million a year, TVA cannot even finance a little \$30 million steam plant; and they come to this Congress and ask that Congress provide them with the money to build it.

Mr. THOMAS. Mr. Chairman, I yield to the gentleman from South Carolina [Mr. RICHARDS] such time as he may desire.

Mr. RICHARDS. Mr. Chairman, I rise at this time to propound an inquiry to the distinguished chairman of the

subcommittee as well as to the distinguished ranking minority member.

This bill, as I understand, includes funds through which contracts are made with the States for agricultural training of veterans on the farm. Recently the Veterans' Administration held up over a hundred thousand dollars from the State of South Carolina, claiming irregularity. If the Veterans' Administration takes that position, I can go along with their thesis that individual veterans should be held responsible in case of fraud or irregularity, but I would like to know whether or not it is the understanding of the chairman that funds will be withheld from the State only where the State itself through its officials is guilty of gross negligence or fraud?

Mr. PHILLIPS. Yes; the gentleman knows that the committee is very much in sympathy with the position he takes and fully agrees with him. There are two reasons why the committee did not attempt to write anything into either the report or the bill. If we wrote anything into the bill, it might apply not only to this case but also to the case where it would be desirable for the Veterans' Administration to attempt to get back money which had been paid out, or to refuse additional money because there might be some error in calculation; and, second, because on page 806 of the hearings the gentleman will find that I questioned the attorney, and I quote from the record:

Mr. PHILLIPS. Well, it seems to me Mr. Odom, the meat of the coconut is that you have agreed to have a meeting with representatives of the State of South Carolina—

Mr. ODOM. That is correct.

Mr. PHILLIPS. And to work this out and to go, if necessary, to the extent of advancing the money—

Mr. ODOM. That's right.

Mr. PHILLIPS. Under some sort of an agreement—

Mr. ODOM. That is correct.

Mr. PHILLIPS. By which the State, in effect, might have to pay some of it back—

Mr. ODOM. That is correct.

Mr. PHILLIPS. If the amount determined were in favor of the Veterans' Administration?

Mr. ODOM. That is correct.

We felt that with that agreement on the part of the Veterans' Administration and the understanding that all South Carolina would be asked to do would be to agree to that same sort of assurance which other States had made in the same sort of situation, that the matter was satisfactorily settled. If it were not we have said that in the progress of this bill through this body or the other body we would be very glad to help straighten it out.

Mr. THOMAS. Mr. Chairman, will the gentleman yield?

Mr. RICHARDS. Gladly.

Mr. THOMAS. May I supplement my chairman's remarks by stating that either on Thursday or Friday of last week I called the Acting Administrator, Mr. Stirling, of the Veterans' Administration, and asked him about the South Carolina situation. He advised me that on that day a letter was going out, I believe he said to the Governor of the State, offering to pay them \$104 million. I asked him if that would make every-

body happy and ease up the claims, and he said, "Yes." I asked him if I was at liberty to pass that word on to my colleague from South Carolina [Mr. RICHARDS] and the other Members of the South Carolina delegation, and the answer was "yes."

Mr. RICHARDS. I thank both gentlemen very much, but I want to ask the distinguished ranking minority Member: Is it his understanding that in the case of South Carolina, and all States where a contract has been made with the Veterans' Administration, these funds can be withheld only on grounds of gross negligence or fraud on the part of the State; is that correct?

Mr. THOMAS. I cannot categorically answer the gentleman's question. It is my understanding that liability accrues by virtue of a contract. Sometimes it is made with a governor of the State as the representative of that State; sometimes it is made with the board of education, and so forth. But it is my understanding that it is the intention of the Veterans' Administration not to penalize and State virtue of any irregularity that does not smack of fraud.

Mr. RICHARDS. The gentleman means that the veteran individually is responsible and the policy is not to penalize the State?

Mr. THOMAS. That is my understanding.

Mr. RICHARDS. As the gentleman understands then, this \$100,000 plus will be paid to the State of South Carolina, is that correct?

Mr. PHILLIPS. I think it may have been paid. I understood the gentleman from Texas to say that.

Mr. RICHARDS. If it has been paid, it is news to me.

Mr. THOMAS. He said the letter was going forward that they were offering \$104,000, so I presume it has been paid.

Mr. PHILLIPS. I was in error that it has already been paid, but it is in the process of being paid.

Mr. THOMAS. I think perhaps it has been.

Mr. RICHARDS. I thank the gentleman. I only want to see that the State of South Carolina as well as the veterans of our State are not unjustly penalized.

(Mr. YATES asked and was given permission to revise and extend the remarks previously made by him.)

Mr. THOMAS. Mr. Chairman, I yield 7 minutes to the gentleman from Tennessee [Mr. EVINS].

Mr. EVINS. Mr. Chairman, some of the arguments we have heard here today in debate and doubtless will hear as debate proceeds with reference to the TVA, have been repeated many times in the past. Other criticisms of TVA have been ingeniously created and advanced by the enemies of the TVA—the enemies are always the same—the private power trust—which we all know and recognize as the most powerful lobby in Washington.

During the time allotted to me, I want to endeavor to answer some of the arguments against TVA.

Mr. Chairman, in answer to those who charge that the TVA is not a profit-making enterprise and that its bookkeeping

methods are improper, I would answer by referring to statements from recognized sources who have investigated the TVA accounting methods.

The financial success of TVA power operations has been confirmed from several outside sources. Maj. T. Coleman Andrews, now Commissioner of the Bureau of Internal Revenue, when Director of the Corporation Audits Division of GAO, testified before a congressional committee as follows:

TVA, which is a profit-making enterprise although it may not have been basically intended to be so, is in excellent financial condition.

Last year, 1952, TVA paid into the Treasury of the United States \$25,800,000. Since its inception TVA has paid a total of \$66,131,000—under the act, all capital loans for power expansion must be repaid into the Treasury.

The firm, Haskin & Sells, New York firm of certified public accountants, in a task force report to the Hoover Commission said:

The Authority is more than earning sufficient power revenues from power operations to repay the investment in power facilities with interest.

The Senate Committee on Expenditures in the Executive Departments—Senate Report 2685, 81st Congress—has stated with regard to GAO reports on TVA's operations:

From the very first report submitted by the GAO for the fiscal year 1945, the auditor's opinions have been affirmative of the excellence of the corporation's affairs and there has been reported no single proceeding in violation of the law. In comparison with reports of the GAO on the affairs of other governmental corporations, this is a real tribute. With respect to each year, the corporation's own balance sheet and supporting statements have been found to present fairly the entire operations of the corporation, as reflected in accounting methods maintained in accordance with applicable law.

Commissioner Andrews has also testified before a congressional committee:

TVA probably has the best accounting system in the entire Government and probably one of the finest accounting systems in the entire world. It is an excellent system. There is no private enterprise in this country that has any better.

To those who charge that TVA has no authority for steam-plant construction, I should like to reply that this age-old question has been settled by the Congress and the courts time and time again.

Appropriate sections of the act refer to TVA's power to acquire assets and to construct facilities—including steam plants, which is a necessary auxiliary of a power producing facility. The United States District Court for the Western District of Kentucky in the matter of the *United States Ex rel. TVA v. Puryear* (105 F. Supp. 534) affirmed TVA's authority for the building of steam plants.

In this case TVA brought action to condemn an easement and right-of-way for the use of TVA in constructing electric power transmission lines. The court decided that the act contained this authority and said:

There is undoubtedly statutory authority in the TVA Act, granted in section 4, for the construction of the Shawnee steam plant.

Senator Vandenberg, Presiding Officer of the Senate, ruled that the TVA Act conferred such authority. During the 80th Congress a point of order was made against an amendment to appropriate funds for the new Johnsonville steam plant on the grounds that the TVA lacked authority to construct such plants. Senator Vandenberg, President pro tempore of the Senate, overruled the point of order on the ground that the words "other structures" in subsection (1) of section 4 of the act could well include steam plants.

The late Wendell Willkie, in testifying before the committees of the Congress, both before and subsequent to the sale of private utility properties to the TVA, testified of the necessity of the TVA to build steam plants and of the intent of the Congress to confer such authority.

To those who charge that industry is being moved from the East to the South because of the availability of TVA power, I would reply that this charge has often been repeated, but never established or confirmed.

During the 80th Congress, with the new Johnsonville steam plant matter before the Congress, charges were made that industry was moving from the East to the South. I challenged any member of the Committee on Appropriations to show a single instance regarding the transfer of industry to the South for this reason. No one accepted the challenge.

Recently, our colleague Congressman GWINN, of New York, has inserted in the CONGRESSIONAL RECORD at page A3590, June 11, last, copy of a letter to the Governor of Tennessee in which Congressman GWINN states in part:

And what about the hundreds of industries that have moved from other parts of the country, especially New England, in order to take advantage of TVA subsidized power? In Columbia, Tenn., is the Massachusetts Knitting Co.

Congressman GWINN uses the words "just hundreds"—to bring the words from out of the sky—and then cited just one instance.

In a long-distance telephone conversation recently with a distinguished lawyer, and friend of mine in Columbia, Tenn.—Hon. Lon P. McFarland—I learned that the Columbia, Tenn., Knitting Mills—successor to the Massachusetts Knitting Mills—was located in Tennessee in 1931. The TVA Act was not passed until 1933 and the TVA power was not available in the area of Columbia, Tenn., until 1939. The plant had been established in the area more than 6 years before TVA power was even available.

In this connection I would like to read excerpts from a letter from Mr. Frank Cover, plant manager, of the Tennessee Knitting Mills, Inc., Columbia, Tenn., dated June 12, 1953:

Dear CONGRESSMAN EVINS: Our attention has been called to the effect that some New England Congressman has inserted in the CONGRESSIONAL RECORD a statement that Tennessee Knitting Mills was located in

Columbia, Tenn., as a result of the availability of TVA power. That statement is false from beginning to end. To keep the record straight, please note that Tennessee Knitting Mills acquired the present building in June 1931, and started partial operation within a month; whereas, TVA legislation was not enacted by Congress until 1933 and actual use of TVA power was not available in Columbia before August 16, 1939.

The power factor (of TVA rates) is so insignificant that at no time would it be a determining factor in either coming or remaining in Columbia because of the lower power rates.

We appreciate the opportunity of presenting the facts to you as they are, and not as someone would like for them to be.

With best wishes, we are

Respectfully yours,

TENNESSEE KNITTING MILLS, INC.,
FRANK COVER, Plant Manager.

Yet we continually hear from our colleagues about industry being located in the South because of the TVA.

The distinguished young Senator from Massachusetts, has recently made a series of speeches in the other body regarding the industrial situation in New England. Among other things, the Senator has pleaded for conservation and development of New England's water resources. When he did so, he was stepping on the toes of the Power Trusts.

I like the formula of the junior Senator from Massachusetts when he said:

I want to equalize New England and the rest of the country, but I want to do it by upgrading New England and not by downgrading other parts of the Nation.

I commend this formula to the Members of the Congress.

It has been well said, Mr. Chairman:

If you would destroy a region, destroy its power supply. If you would hold a region to a lower standard of living, you can do it by placing a limit on its supply of electric power. If you would build a region, build an even greater and greater supply of electric energy.

The Congress of the United States through the TVA has accepted the responsibility of supplying the power needs of the Tennessee Valley. The people of the area, therefore, have looked with confidence to the Congress and to the TVA to carry out its responsibilities as in the past.

When the Federal Government authorized the TVA and purchased all of the private power interests in the area, a partnership arrangement was entered into between the Federal Government and the people of the Tennessee Valley area. This partnership, at the end of 1952, was comprised of 54 cooperatives and 96 municipalities which distribute power to the people, all of our farms, and in our cities—power produced by the TVA—the sole supplier of power for the people in the area.

Naturally, the people have been concerned that this partnership be continued. Certainly the Congress should not violate its contract with the people. Neither should the Congress put a lid on the progress, growth, and well-being of a great segment of our citizenship.

As one citizen of the area recently expressed himself in a letter:

If we can afford to give billions of dollars to people halfway around the world, surely we can afford to lend the TVA the funds necessary to prevent the economic throttling of an important section of our country.

More recently we have all read headlines and statements in the press to the effect that \$8 billion in American aid was the stake in the Italian elections.

Yes. We seem to see the advantages of aiding the people of other countries, and yet sometimes are shortsighted about the needs for reasonable growth and progress of our own people.

Mr. Chairman, I have never been able to reconcile the position of some Members of Congress in failing to see the importance of building up and strengthening of all sections of our common country.

Yes, Mr. Chairman, the people of the South through TVA have made progress during the past several years. The South was once referred to, we may recall, as the economic problem No. 1 of the Nation. Today the economic situation of the average individual of the area is improved—yet not in line with the national average. Progress in this direction is being made. We are looking today upon the South as an outstanding example to the world of progressiveness.

The Tennessee-valley area has become one of the great productive regions of the Nation and the arsenal for defense for our common country. Unfortunately, because of this progress and advancement, there has developed and exists—a prejudice against the TVA—sectional prejudice and skepticism. The 20-year record of TVA's success has been too much for some to appreciate and understand.

During May of this year the TVA celebrated its 20th anniversary. The TVA has had its ups and downs during this time, but the years have meant a steady climb of growth and progress. The sum total of TVA's operations means that the welfare of the people has been improved. Agriculture and industry have flourished. Our municipalities and cooperatives have expanded, and our national defense has been strengthened.

Yes, the TVA has served well the people of the Tennessee Valley area, but more than this, the benefits of the TVA go far beyond the immediate area—and that is what I wish the membership of this House could realize, appreciate, and understand.

The TVA has become a symbol of progress—not only to our people, but to people of other lands—in every country of the world—where the forces of freedom and economic betterment are struggling for existence. The TVA has become recognized with widespread interest and is heralded by people all over the world. This is evidenced by the fact that people from other nations have come to see and know the TVA area first hand. The leaders of other nations have noted the accomplishments of TVA in improving navigation, flood control, and in developing electric

power, not only for civilian use but for national defense.

The story of the joint partnership between the people of a great section of America and their Government is a wonderful story. It is the story of a partnership which has harnessed rivers and streams which have been put to work for the economic betterment of all of the Nation. Time does not permit the retelling of the full side of this story of the TVA today.

There is another story—an even more vital one concerning the TVA—that I wish to relate—and that is the national defense importance of the TVA and its production of hydroelectric power for the Nation's defense and security.

TVA had its beginnings as a national-defense project during World War I. We had its power and other resources during World War II. The power produced by the TVA system hastened the end of World War II and helped save many lives. It kept our bombing planes flying until we gained control of the air and won final victory.

In this age of atomic threat and challenge, we should take great pride that the resources of the TVA are fighting on our side. The TVA is a great national asset—the resources of which belong to all of the people of our Nation.

The TVA, alleged by its critics as a wasteful and visionary experiment, has proved to be neither. It has proved rather that its contribution was a life-saving foresight for our national safety and defense.

Power supplied by TVA averted a crisis in aluminum production during World War II.

The chemical nitrate plants of the TVA supplied more than 60 percent of the total phosphorous requirements of the military for bombs, fire and smoke screens during the war. The electric furnace research of TVA aided industry in producing the other 40 percent needed.

TVA power was used to build the first atomic bomb.

The Oak Ridge atomic project could not have been made a reality without the TVA—thus, TVA was the most direct contributor of any power facility of the Nation toward ending the war in Europe and Japan.

Today, the TVA is still in the forefront serving the national defense needs and meeting the increasing power demands of our military and defense installations not only at Oak Ridge but also the tremendous power requirements for the new atomic energy installation at Paducah, Ky., the rocket research center and guided missile plant at Huntsville, Ala., and the new and important defense installation, the Air Engineering Development Center near Tullahoma, Tenn., in the district which I have the honor to represent. This project—the AEDC—now under construction, when completed, will be a great aerodynamic research center for the development and testing of jet and other aircraft. The largest wind tunnel operation in the United States—and so far as we know—in the world. When completed, this

center alone will consume and require more than 750 million kilowatt-hours of electric power annually. This power for the Government is to be supplied by the TVA.

To meet this vast power demand for national defense purposes alone, the TVA must increase its present installed power generating capacity from 4,500,000 kilowatt-hours—present capacity of 1952—to 9,600,000 kilowatt-hours by 1956—3 years hence.

It is the increased demand for power by the Federal Government—the defense installations which, at this time, require capital funds to be loaned for expansion of power needs and requirements of the area.

The power division of TVA is charged with the responsibility of providing power for all the people of the area. This area, I would advise my friends, does not include just Tennessee alone, but is an eight State area consisting of 80,000 square miles—an area in which 5 million people live.

It is true that farm and home use of electricity has increased; but, this power consumption has been paid for by the people of the area. They will continue to pay for this power. The people only want an opportunity to purchase it—not to be denied a source of power supply.

According to TVA engineers, farm and industrial power consumption is not estimated to be increased in substantial proportions during the next years—only power for normal growth needs will be required. However, the requirements of the Federal Government—national defense power needs—will be substantially increased during the next 3 years.

The importance of advanced planning for heavy increased power requirements for the Federal Government should not be overlooked. The recommended cut in present power facility construction should not be sustained—the new facility construction cut out—the Fulton steam units must be restored—the future needs of the area and the Nation demand it.

It would not be necessary for this expansion except for power purposes. The committee, in its report, recommended that the TVA be placed on a self-sustaining basis. The committee should be aware that the TVA is already on a self-sustaining basis except for expansion—expansion of which is required by the Federal Government.

The best engineering estimates indicate that it would not be necessary at this time to be asking the Congress for additional capital loan for power production purposes except for the national defense demands. The increased demands for electric power by the defense installations constitute the primary reason for the appropriation requested.

The large increase in energy requirements forecasted for 1954 through 1956 reflect the announced expansion of the defense mobilization program in the TVA area, and assures a continued high-level production of civilian goods. The municipalities, cooperatives, and Federal agencies are TVA's preference customers. The Federal agencies alone in the area

during 1954 will require almost three times the amount used in 1952—this primarily because of the expansion of the Atomic Energy's facilities at Oak Ridge, the AEDC at Tallahoma, the chemical plant at Muscle Shoals, Ala., and the new atomic energy plant at Paducah, Ky.

The maintaining of a strong posture of national defense during these years of national tension is a matter of first importance. Nothing could please the Kremlin more than evidence of weakness in our productive and industrial system. For these reasons alone we can not afford to reduce our power resources so necessary to maintain our highest possible production of power for both military and civilian needs.

Mr. Chairman, in addition to the civilian and military power needs of the area and the fact that TVA being the sole supplier of power in the area and is morally and legally obligated to supply the power needs of the area, there exists many other valid reasons why the Congress should provide the necessary capital loans for increased power-generating facilities for the TVA:

First. TVA belongs to all the people and is a great national asset.

Second. The TVA is a sound business enterprise. Its power program is profitable and makes a substantial return in revenue to the Treasury annually.

Third. The TVA has served well the agricultural and industrial interests and the public interests of the South and of the Nation.

Fourth. TVA has helped improve navigation, and has provided protection in flood control of the Tennessee Valley.

Fifth. The estimated savings of property by reasons of control of destructive floodwaters is conservatively estimated to be \$450 million.

Sixth. TVA's power operations are self-supporting and self-liquidating. Last year, 1952, \$25 million was paid into the Treasury—profits from TVA's power sales. Since TVA's inception the power program has made a return of \$66,131,000 into the Treasury—the net average income over the years has been 4.7 percent—approximately 5 percent on investments.

Seventh. The traffic load on the rivers of the valley include automobiles, coal, coke, petroleum products, steel, agriculture, and manufactured products—all of which evidences that this phase of TVA's work is serving well the industry and the commerce of the Nation.

Eighth. The chain of 25 dams with hydroelectric power stations of the integrated TVA system constitute a great national asset—of vital usefulness and importance in peace and war.

Ninth. TVA has served as a yardstick to help adjust power rates for the consumers of the Nation—the average TVA rate for residential use is 1.33 cents per kilowatt-hour. The average rate for residential use in the United States is 2.76 cents per kilowatt-hour. TVA rates have helped to keep down power costs to consumers in other areas.

Tenth. The TVA has greatly helped in accelerating farm electrification in the Nation—today 90 percent of the

farms of the United States are electrified whereas less than 4 percent of the farms were served with electricity in the area prior to TVA—there are still over a million farms in the country without electricity today—many of them in the TVA area.

Eleventh. The public-owned lands in the Tennessee Valley yield an estimated annual income of \$350 million. Under sound forest management this yield could be increased many times.

Twelfth. The upstream storage of the TVA dams has resulted in a saving from flood control of more than \$95 million according to reasonable and conservative computation—these dams are capable of reducing floods at Cairo, Ill., by 2 to 4 feet and on down the stream. This security from floods protects 6 million acres of the Mississippi Valley productive land and reduces the frequency of flood 4 million acres additional—resulting in the saving of thousands and thousands of dollars annually.

Yes, Mr. Chairman, the benefits from TVA are many. The national asset in the TVA is great.

We hear a lot these days about decentralization of Government from Washington. The TVA is a splendid example of how a Federal agency can work with local agencies of the Government on a decentralized basis in the development of the natural resources of the Nation.

Yes, the TVA has many times over proven and demonstrated its great worth to the Nation—for national defense—and is an excellent example of the people's ability to cooperate with the Federal Government in a program for economic advancement and betterment.

The elimination of funds for the resources program removes the source of TVA's effectiveness as an agency of regional development. Through the resources development program assistance is given to the State and local communities, to chambers of commerce and private enterprise in forestry, agriculture, minerals, and industrial development. The resources and development program has helped to bring about changes of permanent and lasting value to the resources of the Tennessee Valley area. The elimination of funds for the resources development program reduces the TVA largely to a power production facility.

The action of the committee in reducing the power potential of the TVA and cutting out entirely the resources development program of the TVA is the most unwise and uneconomic act of this Congress.

The committee, in recommending \$188,371,000 for TVA for 1954, is proposing a reduction of \$65,984,000 in the budget estimate for TVA for all purposes for next year. It should be pointed out that this is a reduction of \$91,830,000 from the original budget.

The recommended cuts include \$31 million for power facilities presently under construction, an additional cut of \$30 million for new facilities—namely, the Fulton plant—a total of \$61 million cut for power construction.

Further, a cut of \$661,000 in funds for additions and improvements on present and completed projects, a cut of \$308,000 for navigation, a cut of \$187,000 for investigation of plans for future projects needed and a cut of \$770,000 for the chemical programs.

As if this were not more than enough, the committee has recommended cutting out the entire funds for the resources development program in the amount of \$2,377,000.

The total budget cut for TVA for fiscal 1954 is \$65,984,000 from the revised estimates—a total cut of \$91,830,000 from the original budget estimates.

The committee indicates, according to its report, that the Federal Power Commission and the Defense Electric Power Administration—DEPA—submitted evidence indicating that over the past several years the TVA has overestimated its future power demands.

Nowhere in the report or hearings does the committee show the basis for its conclusion. Apparently, the committee has obtained some secretive, unreported testimony and evidence concerning the power needs of the TVA.

The truth of the matter is that the private power experts—the Edison Electric Institute and others of the private Power Trust—have repeatedly predicted, and I should add falsely predicted, that the TVA power units would create unneeded surplus power. These so-called experts have been proven wrong time and time again.

The private power interests made a prediction in 1935 that surplus power existed in the TVA area "sufficient to provide for growth for the next 6 years." That was in 1935 and 6 years later we had World War II.

I think it should also be pointed out that at the time this prediction was made spokesmen for the private Power Trust also stated that not more than 1 farm out of 4 was a prospective power customer. How wrong they proved to be.

In 1948, when the TVA asked for funds to begin construction of the Johnsonville steam plant, private utility interests again stated that no further power was needed. Their estimates and predictions were again proven untrue and unfounded.

In 12 successive semiannual surveys made in the last 6 years by the Edison Electric Institute of the power needs of the Nation the institute has found it necessary in each instance to raise and revise its original estimates.

What better evidence could there be that private power spokesmen cannot forecast accurately even the needs for private power sources? They have miscalculated and underestimated the power requirements of their own service areas.

How could it be assumed that they could accurately predict—even if they desired to do so—the needs of the TVA area?

They have been wrong in the past and they are wrong again in their whispered estimates of TVA needs.

In 20 years TVA has never requested funds to start a single plant that did not prove to be needed—usually before it was

finished. During the same time the private power lobby experts have regularly predicted that these same plants would create unneeded surplus power. The new administration and, unfortunately, the Appropriations Committee, have failed to read the lessons of history. They have listened to those who have made mistakes in estimates in the past and to the shortsighted prophets of doom.

It should be remembered that the predecessor of the Edison Electric Institute was the National Electric Light Association, which was discontinued following investigation and disclosure by the Federal Trade Commission of many unsavory practices in which this association engaged.

In view of the history of the inaccuracy of private power estimates of future power needs of the TVA area—and in view of the expertness and accuracy of the TVA's estimates of past needs—I, for one, prefer and certainly think the Congress should take the estimates of the TVA—those experts who are in a position to know the needs of the people of the area and the Federal power requirements.

Apparently, in arriving at their conclusions, the committee has referred to testimony—appearing in the hearings—received by the committee to the effect that the private power companies serving outside the area could furnish any power requirements that might be needed. The only recorded and published testimony in the hearings of any representative of private power companies is that of Mr. R. B. Wilson, vice president of the Mississippi Power & Electric Co., Jackson, Miss.

Mr. Wilson's testimony is contained on pages 223–228 of the hearings and I submit that the reading of Mr. Wilson's entire testimony will fail to disclose any encouragement to the position indicated in the committee's report. Mr. Wilson stated that his company possibly could build additional expansions in the years ahead. Mr. Wilson was asked by our colleague, Congressman ANDREWS, at page 227 as to whether or not his company at the present time had a surplus of power. Mr. Wilson's reply follows:

"When our present production schedule is completed at the end of this year, we will have some surplus power. Of course, it was built to serve our own loads and to serve any outside loads; and, of course, we expect it will be available until our own loads require it."

Mr. Wilson further pointed out that his company had sold TVA "quite a bit of power in the past." Mr. Wilson was also asked how his company's rates would compare with the rates of TVA. His answer follows:

Well, I couldn't answer that right now, Mr. ANDREWS, without knowing the amount of power, the type of power, the facilities required, or the contract that might be entered into.

All of Mr. Wilson's testimony corroborates and substantiates the TVA's position that there is a shortage of power in the area and that his company is not able to supply the needed power at this time. Should his company later be able to do so, the energy might be "piped

in" to the area after their own company's demands and requirements had been met.

Following this testimony, I believe it is evidently clear that the committee was pleased to excuse Mr. Wilson from further testimony.

The published recorded testimony of this one single private power witness does not in any respect justify the committee's action—and I should add, neither does the whispered unrecorded testimony justify in any respects the erroneous power estimates furnished the Bureau of the Budget and others of this connection.

The private power boys are suggesting that if the TVA region needs more power, the cities and other distributors should build their own private power-generating facilities to supplement those existing in the TVA system. Should this scheme be carried out, it would mean smaller steam plants and smaller units, and higher costs of production per kilowatt-hour of energy. TVA has demonstrated the efficiency value of larger power producing units.

Another argument of the private power interests is that if additional power is needed in the region, it should be piped in from adjoining areas.

This argument is invalid because the adjoining power companies do not have available power, because the method would be more expensive and because this would make the Tennessee Valley area a colonial dependency of the utility power companies committed to supply their own areas first. The private companies would reduce the area to a second class customer.

Another line followed by the enemies of the TVA goes something like this, "Let's have a private utility build any new steam plants required in the area."

This was tried recently in Joppa, Ill., across the river from the atomic energy plant at Paducah, Ky. The Joppa plant was scheduled to go into operation before TVA's Shawnee steam plant, which jointly was to supply electric energy to the huge atomic development.

It is my information that the construction of the Joppa plant was given top priority on construction material and otherwise—above that of TVA.

The first unit of the TVA Shawnee plant went into operation during the early part of this year—the Joppa plant, by private interests, is not yet completed or in operation.

These attacks—that cities should build their own steam plants—that outside power should be piped in—and that private utilities can supply the power needs of the area, constitute the new pattern recommended for supplying critically needed power.

Under this new pattern the Federal Government underrates the financing. Power rates go up to the consumers and after the plants are paid for, they are owned by the private utilities. Under the TVA system, the Government loans the money for capital improvements, rates are held down to the consumers, the Federal Government's defense needs are supplied, the TVA pays back every dime to the Federal Government, and

the facilities belong to the Government—to all the people.

Surely, my colleagues will not be blinded by the false propaganda put out by those who would gouge the consumers, put a lid on all progress in our country, and deny the needed power supply of the people of our country and the Federal Government. Let us not halt progress in an area that has become a citadel of defense against aggression.

Yes, all of the States are benefiting by the TVA; the people of the Nation as a whole are benefiting by TVA; and most important, our Nation's defense is being served and strengthened.

It is certainly most unwise and uneconomic to fail to promote a healthy economy for our Nation—for defense—and to promote the power needs of the Nation.

Let us not break our contract and end our partnership with the people of the TVA area. Let us not close the door on further progress in the South. Let us not cripple the national defense of our country. In short, let us not sell out to private-power trust. Let us not go back to the days of private-power monopolies and Insull—who we all recall had his yacht anchored off the shores of New York and his sails set for parts unknown.

No, Mr. Chairman; the membership of this House must not permit this to happen. My hope and my appeal is that the Congress will vote the full appropriation needed for this cause—for the sum needed to insure the normal growth and progress of the people of the TVA area and also contribute greatly to the national defense and security of our country. And, most of all, to insure the happiness and well-being of the people—not only the people of Tennessee, but the people of all America.

The CHAIRMAN. The time of the gentleman from Tennessee has expired.

Mr. PHILLIPS. Mr. Chairman, I yield the gentleman 1 additional minute in order to read something to him. This is part I of the hearings, Second Independent Offices Appropriation for 1954. At page 65 the question is raised of Mr. Kampmeier as to how, in their bookkeeping system, they figure the amount of money which they say is paid back to the Federal Government, so far as operations are concerned, without complete dependence on Federal funds, and Mr. Kampmeier stated:

The amount paid by private industries as Federal income tax can be compared with earnings which accrue to the Federal Government, over and above the cost of the money. And such a comparison will show that the Federal Government receives as much as, if not more, from the TVA operation than it would receive and does receive from private utilities.

Then the chairman said:

But you arrive at that figure by adding in improvements that you make on the property, which you say the Federal Government owns.

Mr. Kampmeier said:

Yes; included in that is the entire return.

Mr. Chairman, I want to point out that the way the TVA operates is to say that it includes in the amount it says it pays back to the Federal Government in lieu of taxes the cost of the new build-

ing it builds with Federal money. It is a rather curious conception.

Mr. EVINS. The TVA constitutes a great national asset belonging to all the people. I am wondering if the gentleman does not take a pride in the national-defense potential and the national-defense features of the TVA? I wish I had time to discuss fully the contribution to the national defense provided by the TVA. I think he should take a pride in this great national-defense feature of the TVA.

Mr. PHILLIPS. Mr. Chairman, I yield 2 minutes to the gentleman from California [Mr. JOHNSON].

Mr. JOHNSON. Mr. Chairman, there was a question I wanted to ask the gentleman from Tennessee who has just left the floor. In the final run, do you pay back to the Federal Government every single dollar of investment this costs?

Mr. EVINS. Yes; I should like to answer the gentleman affirmatively. The law mandatorily states that all funds for power operations must be repaid into the Treasury of the United States over a 40-year period.

Mr. JOHNSON. It is like the reclamation law, then?

Mr. EVINS. Yes; the TVA Act provides that all funds appropriated for power resources and power development must be repaid into the Treasury. These appropriated funds are being repaid into the Treasury in advance of the scheduled time for payment.

Mr. JOHNSON. Another question that comes to mind is this, and I am not being critical of the TVA, as the gentleman knows. You pay such small amounts, like \$65 million this year, and get such small amounts in appropriations, that I cannot possibly see how you can pay back in 40 years the billion dollars you have invested down there.

Mr. PRIEST. Mr. Chairman, if the gentleman will yield, there had been allocated to power about \$555 million as of the end of this fiscal year. The billion-dollar figure to which the gentleman refers is the total operation, including navigation, flood control, and other operations.

Mr. JOHNSON. The point I want to make is that the payment is so small you cannot possibly pay that back in 40 years.

Mr. EVINS. Does the gentleman consider \$25.8 million a small payment in 1952?

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. PHILLIPS. Mr. Chairman, I yield 3 minutes to the gentleman from Pennsylvania [Mr. GAVIN] who will probably say that yes, that is a small payment to pay back that much money in 40 years.

(Mr. GAVIN asked and was given permission to revise and extend his remarks.)

Mr. GAVIN. Mr. Chairman, it is ridiculous, really, if we use common sense, to say that this money is being paid back or will be paid back. You have a billion or more invested in the Tennessee Valley by the Federal Government. If you pay the money back and it is a profitable enterprise, why do you have to come in here every year and ask for another quarter of a billion or half

a billion dollars, if it is such an enterprising project?

Mr. EVINS. Mr. Chairman, will the gentleman yield?

Mr. GAVIN. I cannot yield to my very good friend for I have but a limited time, but I do want to answer him about the gentleman's section of the country propagandizing the North and the Northeast sections of the Nation. The gentleman made the statement that they do not propagandize the North and the Northeast for the purpose of inducing industries to locate in the Tennessee Valley. Here is an article appearing in the Commercial Appeal from Memphis, Tenn., under date of June 12, 1953. I will read just a paragraph from it:

Mr. Crawford said his newspaper has strongly supported Mayor Ed Lindsey, of Lawrenceburg, who is spearheading a drive for the extension of the whole TVA program, the Fulton steam plant included. Lawrenceburg, he added, is now planning a \$1 million bond issue to attract new industries made possible by TVA power.

When a little town such as Lawrenceburg is willing to spearhead a drive for \$1 million to attract industries into the Tennessee Valley Authority region, please do not tell me that they are not propagandizing the North and the Northeast as here is conclusive evidence.

Mr. SUTTON. Mr. Chairman, will the gentleman yield? Since Lawrenceburg is my home town, I would like to tell the gentleman about it.

Mr. GAVIN. I cannot yield as much as I would like to the very able gentleman from Tennessee as I have only 3 minutes.

In my district a local company just finished building a steam powerplant at Warren, Pa. I think it cost us \$16 or \$18 million. They did not ask the Federal Government to put up the money. They did not ask that it be made tax exempt to produce cheap hydroelectric power. They put up their own money. They built their own plant because the power was needed. Therefore, what right in the name of commonsense do we, as Representatives in the Congress, have to put up the American taxpayers' money to build these powerplants down in Tennessee any more than you would build them in New Jersey, Rhode Island, or Pennsylvania or Ohio or anywhere else? You started out with the TVA as a navigation and flood-control project. Then you got over into hydroelectric power. Now the American taxpayers have put about a billion dollars in the TVA. My State pays their proportionate share of the cost to develop the TVA to produce cheap hydroelectric power—tax exempt, interest free—sure—it will attract industry, and the galling thing is we are putting up the money to crucify our own industrial life, but let me tell you it has reached the point of saturation. Building steam powerplants should be discontinued. I have no objection to your building steam powerplants in the Tennessee Valley to attract industry, but do it with your own money. Do not do it with the taxpayers' money. Build your own plants just the same as they do in my district and I will have no objection to this type of competition.

Pennsylvania with its 10 million people is fighting for its very industrial existence and to be compelled to meet the competition of interest-free, tax-exempt hydroelectric power financed by the American people is a difficult matter.

Certainly there is no more reason to build steam powerplants in Tennessee than in Pennsylvania. In fact, there is more reason to build them in Pennsylvania because in many of the distressed areas, particularly the coal regions, there would be coal to operate the steam powerplants right in their backyards. If we could secure 5 or 6 steam powerplants in the northeastern section of Pennsylvania, particularly in the distressed areas, we could produce cheap electric power, tax exempt, to attract industry and it certainly would be helpful to our State and the people who are dependent upon it for their livelihood.

Mr. THOMAS. Mr. Chairman, I yield 15 minutes to the ranking member of the Tennessee delegation [Mr. COOPER].

(Mr. COOPER asked and was given permission to revise and extend his remarks.)

Mr. COOPER. Mr. Chairman, it was my privilege to speak to the House of Representatives not long ago for 45 minutes in support of the Tennessee Valley Authority. I also appeared before the Appropriations Subcommittee of the House in support of the appropriation for the TVA and especially the Fulton steam plant. I have been, and I am continuing to exert my best efforts to be of every possible assistance in this vitally important program.

As I have pointed out, 20 years ago last month the Congress created TVA, and the production of power for the use of the people was one of the major tasks assigned to this great Agency of regional resource development. TVA has been of untold benefit to the region and the Nation. Today, by act of Congress, it has become the sole supplier of electricity in an area of 80,000 square miles. Five million people depend upon it for all the energy they use in their homes, on their farms, and in their business enterprises. Power use is growing in this area at a splendid rate, and new capacity must be provided to meet the expanding demand of a more productive economy.

This year TVA has requested funds to continue the construction of 34 steam and hydro units already underway and scheduled for completion before the end of 1955, and funds to begin construction of 4 new units to meet the increase in requirements which must be met in 1956. Two of the new units recommended are scheduled to be located at a new plant to be built at what is known as the Fulton site, 30 miles north of Memphis, Tenn., in Lauderdale County, a part of the Eighth District which I have the honor to represent. It takes 3 years to build a modern steam plant of the kind TVA plans to construct at the Fulton site. If the appropriation of \$30 million for the Fulton plant is granted now, the first unit of 225,000 kilowatts will be placed in service in the fall of 1956.

As we all know, the TVA power system is operated as a whole. No plant is a captive of any individual community, but

this plant is proposed for location near Memphis and in west Tennessee because the increasing requirements of that area can be most economically served if additional capacity is provided here. At peak loads west Tennessee now uses about 450,000 kilowatts of capacity. By the winter of 1956-57 it is estimated that west Tennessee loads will have grown to 700,000 kilowatts and to almost 900,000 by the winter of 1958-59.

In Memphis alone electricity consumption is expected to rise to 2.5 billion kilowatt-hours by 1956, when this plant will go in service. To get an idea of what this quantity means, let me point out that this figure for Memphis is 80 percent of the total amount of electricity produced during 1952 by all the utilities, both privately and publicly owned, in our neighboring State of Arkansas, just across the river from Memphis.

Today the major load centers in the west Tennessee area are being served from generating plants located from 100 to 200 miles away. Power comes into our area over transmission lines from the various TVA hydro plants along the Tennessee River and from the steam plant at Johnsonville. The existing lines are inadequate to take care of the larger loads that are certain to develop in the next few years. TVA had two alternatives for meeting west Tennessee's future power requirements: One, to add to generating capacity of steam plants already under construction, then to build additional transmission lines from those distant plants to the Memphis area; or to start a new steam plant in the west Tennessee area, thereby reducing transmission costs and transmission power losses. This is the method selected by TVA engineers after a thorough study of all factors. This is the prudent, efficient way for TVA to add to the total generating capacity available on its system.

Let no one be fooled by the suggestion I have recently seen in the press that TVA estimates of load growth in west Tennessee are overoptimistic and that experts from outside the region believe the Fulton plant is not required.

In west Tennessee the number of electrified farms has increased more than 4 times in the past 7 years, from less than 15,000 farms in 1945 to 63,000 farms today. About 90 percent of our farms are equipped to take electric service now; their loads are growing. Those of us who live in the region know the facts. We know that on this question the management of TVA is expert.

Let me remind you that in 20 years of experience TVA has not so far built one kilowatt of excess capacity, in spite of the fact that every year the private utility experts thought differently. We had experience in Tennessee with the experts of the private power companies. We want no more of their forecasts. They thought 800,000 kilowatt in capacity was enough for the whole area now served by TVA. They thought only 3 percent of the farms deserved electric service. They thought we would never see the industrial growth which TVA has made possible.

The economic growth of this region is dependent upon an increase in the power capacity available from TVA. The Fulton plant is needed to guarantee efficient and economic management of the TVA power system. We have had efficient and economic management so far. Let it not be said that with 1953 good power system management is to be abandoned.

Mr. COTTON. Mr. Chairman, I yield such time as he may desire to the gentleman from Ohio [Mr. Bow].

Mr. BOW. Mr. Chairman, in connection with the bill before us containing appropriations for the Tennessee Valley Authority, I would like to bring to the attention of this body certain facts which demonstrate the intolerable conditions which arise when the heavy hand of Federal bureaucratic government reaches out into a local area and year by year tightens its grip on the over-all economy of that area.

The people of the Tennessee Valley are trapped. They admit they are trapped. A host of them, all of them men of good will, I am sure, came before the Appropriations Committee and pleaded that the committee be generous in its consideration of the TVA budget because they were dependent upon the TVA for the economic welfare of the region.

Let me read to you the testimony of one of the officials of the electric power board of the city of Chattanooga. In answer to a question from a member of the committee concerning the dependent trap into which the people of the area have allowed themselves to become entangled, the gentleman replied:

Oh, yes; I think the Federal Government has a legal and moral responsibility to continue its partnership with us in the Tennessee Valley power program. We are bound to purchase our supplies, that is, municipalities and the cooperatives, from the Federal Government. We cannot buy from anybody else. There is an exclusive contract.

I submit, gentlemen, that here is exhibit A of government in business in action. Here we have a well-meaning municipal official deeply concerned with his local problems. In an attempt to solve them he must journey many miles to the seat of national government and plead his case before a committee of the Federal Congress.

Later on in his testimony before the committee, this same gentleman told the committee that in order to keep the economic growth of his area going along with the rest of the country, power for his area could not be obtained from other than Government sources. He stated:

We are going to have to live under whatever rules you gentlemen in Congress make for us.

On the other side of this Government-Tennessee Valley partnership, we have a very good example of what Government does when it becomes inextricably tied up with the economy of a local area. We have the case of employees of the Federal Government going out into the TVA area and beating drums to gather this local support for its appropriations.

In the Chattanooga Times of April 22, 1953, there appeared a news story report-

ing the formulation of a permanent—I repeat, permanent—"Tennessee Valley Committee for Adequate Electric Power." This news story went on to report that many groups in the Tennessee Valley were banding together, first to support a continuance of the Tennessee Valley as any effective power-production agency for its present service area; second, to seek adequate appropriations from the United States Congress for the TVA and United States Army engineers to construct steam plants and other generating facilities necessary for supplying the Tennessee Valley's normal growth in demand for electricity.

The groups supporting this effort represent a responsible cross-section of public-minded citizens in the Tennessee Valley area. As I have said previously, I do not doubt the sincerity of their purpose. They are trapped, they are hopelessly enmeshed in a spider web of bureaucracy.

But let us go on and examine this news report further. It is reported:

The meeting to set up the organization is the culmination of a series of some 20 meetings held over the valley at which TVA undertook to acquaint the people of the valley with its budget requirements and the future power needs of the area.

Does this Congress intend to continue ad infinitum appropriation moneys in order to finance the propaganda efforts of TVA information experts? Here is an admitted flagrant propaganda effort on the part of big government.

In the 80th Congress a Subcommittee on Publicity and Propaganda of the Committee on Expenditures in the Executive Departments, of which I was general counsel, made an exhaustive study of these publicity and propaganda practices of the Federal agencies. In its final report the subcommittee stated:

While most of the lobbying activity by Federal employees is aimed at specific legislation to increase the power and appropriation of specific departments and agencies, the overall effect is a tremendous and constant pressure for more expensive government, and further encroachment upon the rights and liberties of individual citizens.

In more specific comment apropos of the present situation before us, that subcommittee noted that the public-relations staffs were utilized in furtherance of the propaganda drives, and felt that there is considerable overstaffing in the public-relations offices and a number of executive agencies. The committee found that there was a tendency on the part of many of this public relations experts to overstep legitimate bounds in what they considered dutiful acts to sell their agency and the philosophy of their superiors to the public.

To repeat again, Mr. Chairman, we have before us an admitted case of such Government agency pressure activities. Apparently all of the people in the Tennessee Valley area do not agree that this continued dependency on big brother is the answer to the day-to-day local problems of the valley. In commenting editorially on this situation, the Chattanooga News-Free Press deplored the circumstances whereby the Tennessee Val-

ley area "is forced to go to Congress with its hand out, asking the Congressmen, who represent the taxpayers of all the Nation, to give us more of the taxpayers' money to expand our subsidized public-power monopoly."

I would suggest, Mr. Chairman, that the Committee on Government Operations investigate the activities of these employees who have been beating the drums for larger appropriations.

I would suggest, further, that perhaps section 201 of title 18 has been violated. If it has, then the Attorney General should take immediate action.

Mr. COTTON. Mr. Chairman, I yield 10 minutes to the gentlewoman from Massachusetts [Mrs. ROGERS].

(Mrs. ROGERS of Massachusetts asked and was given permission to revise and extend her remarks.)

Mrs. ROGERS of Massachusetts. Mr. Chairman, the Committee on Veterans' Affairs met this morning in executive session to consider the very serious problem raised by the number of legislative riders in the appropriation bill, H. R. 5690. The committee considers that this is a serious invasion of the rights of legislative committees, and as such, strenuously opposes this practice and supports the principle contained in the House Rules that there shall be no legislation on an appropriation bill. This is a matter I have brought to the floor on numerous occasions.

The Committee on Veterans' Affairs has been very active during the first session of the 83d Congress. There have been 43 meetings of the committee—21 of the full committee and 22 of the subcommittees. Over 90 bills out of a total of 215 have been considered and the recommendations of the subcommittees and the actions of the full committee have been very restrained in character considering some of the suggestions made in the form of bills introduced and referred to the committee. The hearings which have been held have resulted in the printing of 269 pages of printed testimony. Eleven bills have been reported and four enacted into law.

The Subcommittee on Hospitals sent a questionnaire to each of the 161 installations of the Veterans' Administration, and the replies on the subject of hospitalization form the basis for House Committee Print 53—a 552-page document on this subject.

In addition, the Subcommittees on Insurance and Administration and Finance in the Veterans' Administration have completed a 125-page study of the operations of the Insurance Section of the Veterans' Administration.

I cite these statistics, Mr. Chairman, to show that the committee has been most active and all of the questions raised by the legislative riders on the appropriation bill properly come within the jurisdiction of the committee of which I have the honor to be chairman.

I wish to give this assurance to the Appropriations Committee and to the Members of the House generally that if these riders are removed from the bill, the Committee on Veterans' Affairs will make every effort to consider the subject of the riders during the current session

of Congress and I believe that we can recommend permanent legislation at an early date to cover each of the subjects contained as riders in the appropriation bill, H. R. 5690.

We have done a good deal of preliminary study on these matters already, I may say to the House, and we plan to have more hearings very shortly. The committee has been somewhat handicapped because some of the members are assigned to two committees and some even to three, I believe; so we were retarded a little in action on some of our legislation. We voted unanimously on procedure this morning. Certainly efforts will be made in the House to eliminate the legislation on this appropriation bill with the exception of possibly one provision which we have already voted on in our committee. A bill was introduced today, by the gentleman from New Jersey [Mr. FRELINGHUYSEN] and others for that purpose will be introduced.

I earnestly hope that the Committee on Appropriations will accept the elimination of certain legislative provisions in the bill. Some of the members of the committee have already discussed the matter with the chairman of the subcommittee on appropriations [Mr. PHILLIPS] and we hope very much to reach an agreement on this matter.

Mr. THOMAS. Mr. Chairman, I yield 7 minutes to the distinguished gentleman from Tennessee [Mr. PRIEST].

Mr. PRIEST. Mr. Chairman, in the time allotted me I wish to discuss a few of the questions that always arise in any debate on the appropriation for the Tennessee Valley Authority.

The valley of the Tennessee is the only region in the country in which there has been a unified development of a valley with its entire watershed.

There was a job in that valley which needed to be done and it was an undertaking too big for private enterprise or local governments. The Federal Government stepped in to do that job, and the result today is a national asset of tremendous worth and importance both to the Nation's economy and security.

You have heard many times from the well of this House, and you will hear it again before this debate is over, that electric rates in the Tennessee Valley are subsidized and that taxpayers in other sections of the country are paying part of the bill.

Now, I can understand how one not familiar with the facts could be misled by such an argument.

A look at the record will show that the power program is self-supporting.

In 1952 power revenue totaled \$95 million, and after deducting operating expenses, including payments made by TVA in lieu of State and local taxes and depreciation, the net operating income was \$25,800,000.

Now, Mr. Chairman, the average investment last year in the TVA power program was \$555 million. If we divide the net earnings of \$25,800,000 by \$555 million invested, we find that the power system earned nearly 4¾ percent. The year before it was 5½ percent and over the 19-year period since 1933 the return

has averaged 4¼ percent. Thus, it is clear that a return of more than 4 percent indicates that the consumers of the power are paying the full cost of producing it and that the rest of the Nation pays nothing toward the costs of operation.

Now, someone will raise the question that TVA does not pay Federal income taxes. But let me emphasize that all of its income belongs to the Government and if a share of the power earnings were earmarked for income taxes in the same proportion as for utility companies, there would still be enough left over to cover the Government's cost of providing the money.

Now, without reviewing all of the amortization plan, let me summarize by pointing out that through June of last year Congress has provided \$514 million for power facilities on which construction has been completed, and of this amount TVA has now repaid \$66 million and is well ahead of the pay-back schedule.

Mr. Chairman, when Congress approved the 1939 amendments to the Tennessee Valley Authority Act, I think everyone recognized that this agency was given the full responsibility of supplying the electric-power requirements of that area.

Recently I have read some of the testimony before the Military Affairs Committee at that time. I quote some of that testimony, particularly some statements of the late Wendell Willkie. He said:

I can see no possible benefits of this wasteful competition going on. I do not think, under that competition, the municipalities, either, could make money. I think, too, there would be property destruction on both sides.

I know not a man, that is, a man of any thought, whether he believed in the public operation of power, or in the private operation of power, but who does not also believe that it should be noncompetitive.

Something has been said here of monopolies. Now, I know not the distinction between public monopoly and private monopoly, or their respective deleterious effects on the public; but I do know, as any student of utility business knows, that it is a natural monopoly, and should be such, whether in public or in private hands; and the man who represents the public agency here today sits and pleads for it to be a public monopoly, and in that he is right.

Now in the same connection the Senate committee report had this to say:

Notwithstanding the liberal price to be paid for the properties included in the contemplated sale, both the friends and critics of the Tennessee Valley Authority, as well as the Commonwealth & Southern Corp., the real owner of the property to be sold, are satisfied with the price agreed upon for the sale of such properties. The elimination of potentially wasteful competition in this area would be a factor of major importance. An audit of the properties to be purchased, made by the engineers of the Tennessee Valley Authority, indicated that the value of the properties involved in the contemplated sale were not worth more than \$70 million. The difference between this sum and the total consideration of \$78,600,000 agreed upon can be regarded as the cost of eliminating the destructive competition, a competition damaging and injurious to both the Tennessee Valley Authority and to the private owner of the properties to be purchased.

Obviously, Mr. Chairman, Congress could not have reached a decision to eliminate competition in the area and to make it solely dependent on TVA for power without recognizing that TVA would be responsible thereafter for providing whatever types of additional generating facilities that might become necessary to meet the requirements of the area.

Let me remind you again that a greater portion of the new generating capacity asked for by TVA between now and the fall of 1956 will supply power of vital importance to the defense of the Nation. Actually more than half of it will be required at new and expanded atomic-energy installations.

Still other portions will supply industries that are producing vital defense materials. Many of these large consumers are supplied directly by TVA and other smaller ones are supplied by municipal and cooperative distributors of TVA power.

Recall if you will that in World War II three-fourths of the entire power output of TVA was used for defense production, and more than 10 percent of all power used in the defense program in the entire Nation came from TVA.

The generating capacity which TVA had anticipated by the fall of 1956 still would not be enough to establish that margin of power supply that proved of such value in World War II.

We dare not face a future crisis with a deficiency of power.

At this point I want to review briefly the question of Federal expenditures in the Tennessee Valley as compared to the Nation as a whole.

All sections of the Nation share in the benefits from investments and expenditures made by the Federal Government. Investments are made in public buildings, public roads, river and harbor improvements, defense installations, and projects for flood control and resources development. Current expenditures cover the payrolls of military personnel at home and abroad, payrolls of civilian employees, grants-in-aid to States, payments for social security and veterans' benefits, the purchase of goods, the various Federal Government enterprises, and interest payments.

These current Federal expenditures contribute to the income of individuals directly through Federal payrolls, relief, welfare, social security, and veterans' benefit payments or indirectly through grants-in-aid to States and the payrolls of firms producing goods and services for the Federal Government.

The direct effect of Federal expenditures on personal income payments received by individuals in the States can be measured at least in part. Thus almost half—\$26 billion—of the total Federal expenditures of \$58 billion in 1951 calendar year was paid out directly as personal income payments to individuals in the form of payrolls and welfare payments and veterans' benefits.

A large part of the \$2.4 billion payments to States as grants-in-aid also showed in State government payrolls. These grants-in-aid paid to States—not including a similar amount in grants

paid to individuals in States—currently comprise about one-sixth of the general expenditures of State governments. The indirect effect of domestic purchases of goods and of Federal construction, amounting to \$21 billion, was felt in payrolls of private firms throughout the Nation to which contracts were let.

IS THE TENNESSEE VALLEY A FAVORED AREA?

The Tennessee Valley is the only region in the country in which the unified development of a valley with its whole watershed has been carried out. In this respect the valley has been a favored area. At the same time, however, Federal expenditures in the valley region—201 watershed and TVA-power-service counties combined—have been less, on a per capita basis, than for the Nation as a whole, insofar as it has been possible to make regional comparisons. The less-favored position of the valley is reflected in, first, a lower share of Federal income from payrolls and welfare payments; second, a lower share of Government purchases; and, third, a smaller share of Federal employees.

VALLEY HAS LOWER FEDERAL GOVERNMENT INCOME PER CAPITA

Valley people received only four-fifths the national average per capita income from the Federal Government in 1951. The valley region received about \$820 million out of the \$26 billion that in 1951 went directly to individuals as personal income payments from Federal sources in the form of civil and military payrolls and veterans' and social-security benefits. Thus, the 201 counties of the valley and TVA power area, with 3.87 percent of the Nation's people, received only 3.15 percent of the Nation's Federal income payments to individuals.

The average for the 6 million people living in the valley was \$138 per person, or only four-fifths of the national average of \$170 from Federal sources.

REGIONAL INEQUALITIES IN FEDERAL INCOME PAYMENTS, 1946

There were wide differences in the regional distribution of personal income payments to individuals from Federal sources in 1946. Federal, civil, and military payrolls, veterans' benefits, and public-assistance payments in 1946 amounted to \$137 per capita in the Nation. The average was \$130 per person in the State of Tennessee, which comprises a large portion of the valley region. The average was higher in the Southeast, \$134; the Middle East, \$150; the Southwest, \$156; the Northwest, \$140; and the Far West, \$162. The average was lower in New England, \$127, and the Central States, \$112.

Among individual States, Tennessee's average of \$130 was matched by Massachusetts, \$128; New York, \$137; Pennsylvania, \$131; and Illinois, \$132. Ohio's average, \$117, was below Tennessee's. California people received \$179 per person from Federal payrolls and benefit payments in 1946.

VALLEY REGION HAS SMALL SHARE OF FEDERAL PURCHASES

The valley is receiving only a small share of Federal military and procurement contracts, judging from recent reports by the Munitions Board.

A large portion of the Federal expenditures for goods and construction flows to individuals through the payrolls of firms throughout the country. Therefore, the regional effect of Government purchases on individual income is reflected roughly in the distribution of Federal contracts, although the State figures on contracts are not a direct measure of where goods are produced.

The military procurement and construction contracts are heavily concentrated in the industrial sections of the Nation. Contracts for \$71 billion were let between July 1950 and September 1952, according to the Munitions Board. This was an average of \$472 per person in the Nation. The average was \$155 for the State of Tennessee—only one-third the national average. The average for the valley States as a whole was even lower—\$137 per person.

The industrial New England, Middle East, and Central States received 72 percent of the contracts, which amounted to about \$600 per person living in these States. And most of the subcontracting was probably confined to these industrial States. In Massachusetts and Illinois the average was \$400 per person, in Ohio it was \$600, and in New York it was \$814. The value of contracts let to Far Western firms averaged \$800 per capita, with an average of \$870 in California.

VALLEY HAS LEAN SHARE OF FEDERAL GOVERNMENT WORKERS

The valley's share of Federal civil-government workers is on the lean side; it has declined since TVA was established, and it is well below the region's share of the Nation's private workers.

In 1950, the valley, with its 13,540 TVA workers and 34,830 other Federal civil workers, had only 8 Federal workers per 1,000 population—two-thirds the national ratio of 12, according to figures compiled by the Byrd committee for the additional report of the Joint Committee on Reduction of Nonessential Federal Expenditures, 82d Congress. For the Southeast, there were 10 Federal workers per 1,000 population, and this rate was matched by Massachusetts, New York, Pennsylvania, Illinois, and Ohio. California and the Far West had 17 workers per 1,000 population. All of the major regions of the Nation reported rates as high as or higher than the rate for the valley region.

VALLEY'S SHARE OF FEDERAL EMPLOYEES DECLINED SINCE 1934

Since 1934 Federal civil Government employees have not increased as rapidly in the valley region as in the Southeast and Nation. Actually, since TVA was created, the expansion of Federal employment in other agencies, as reported by the Bureau of Labor Statistics, has overshadowed TVA employment. The valley's share of the Nation's Federal civil workers declined from 3.9 percent in 1934 to 2.7 percent in 1950 and to 2.5 percent in 1951 in spite of the increase of TVA activities after mid-1950. Likewise, in 1934, 31.7 percent of Federal workers in the 7 valley States were employed in the valley region, but only 22.4 percent were located there in 1950 and 19.2 percent in 1951.

In the valley only 3.1 percent of all employees were on Federal civil payrolls in 1950. This was well below the southeastern ratio of 3.5 and the national ratio of 3.7 percent, as measured by the Bureau of Labor Statistics and the Bureau of the Census.

The valley had only 2.7 percent of the Nation's Federal employees in 1950, but it had 3.3 percent of the Nation's private employees, as covered by BLS and the Census.

LOWER PER CAPITA FEDERAL PAYROLLS IN VALLEY REGION

Federal payrolls alone for military personnel and civilian employees in general Government and Federal enterprises were \$114 per person in the Nation in 1951, but only \$76 per capita in the valley region—or only two-thirds of the national average. The valley average includes TVA payrolls, which amounted to \$13 per capita. It also includes \$4 for direct AEC payrolls at Oak Ridge, but it does not include the payrolls of private construction and operating contractors there.

EFFECT OF OAK RIDGE ON VALLEY INCOME

The effect of Oak Ridge payrolls on incomes in the valley region can be measured from AEC reports. In 1951, when total personal income of individuals in the valley region amounted to \$5,573 million, about \$111 million, or 1.99 percent, was from combined Oak Ridge payrolls.

Total per capita income in the valley was \$940 in 1951. Valley personal income from all direct Federal Government sources was \$138 per capita, and the average from Federal payrolls was \$76. This included \$4 for AEC payrolls at Oak Ridge, but not the payrolls of private construction and operating contractors at Oak Ridge which amounted to \$14 per capita. Thus, if these operation and construction jobs were manned by Federal employees, as is all TVA work, Federal payrolls in the valley would be \$90 per capita—still below the national average of \$114, which does not include payrolls of Government contractors.

RELATIVE MAGNITUDE OF FEDERAL INVESTMENTS IN TVA

Altogether the investment of a billion dollars in TVA has amounted to about \$54 million per year, or only \$9 per year for each of the 6 million valley people.

The per capita investment in TVA is small in comparison to the \$49 per capita spent by the Federal Government for additions to the Nation's physical assets in 1951.

TVA PURCHASES NOT CONFINED TO VALLEY

Federal expenditures for TVA have not been confined to the valley. Since 1934, TVA has purchased almost \$800 million in manufactured goods, about two-thirds of TVA purchases of \$1,138 million for goods and services.

Less than one-tenth of the manufactured goods were purchased in Tennessee. The seven valley States have received only 22 percent of TVA procurement orders for processed articles.

TVA purchases of manufactured goods during the 18 years have been concentrated in the industrial northeast, where

three-fourths of the expenditures for machinery and other processed articles have been placed. Two-thirds of the manufactured goods were purchased in seven industrial States: Pennsylvania, \$193 million; New York, \$92; Ohio, \$79; Illinois, \$77; Wisconsin, \$45; Massachusetts, \$30; and New Jersey, \$28.

Purchases of raw materials and local services, about one-third of the total, were made largely in the valley area, but half of these expenditures were made outside Tennessee. Altogether the State of Tennessee has received less than one-fourth of combined purchases, and the seven valley States have received only 42 percent of the total.

Mr. GAVIN. Mr. Chairman, will the gentleman yield?

Mr. PRIEST. I yield to the gentleman from Pennsylvania.

Mr. GAVIN. Now, would the gentleman explain those payments that were made, as the gentleman stated? Will he tell us what States received those payments?

Mr. PRIEST. Every State in which the Tennessee Valley operated.

Mr. GAVIN. Right. That is why I am arguing. We put Pennsylvania's money in the TVA. It is an investment to build it, but when any payments are made they are made to States in TVA region.

Mr. PRIEST. I believe I can clear up some of the other things the gentleman is about to ask me. Incidentally I wanted my good friend from Pennsylvania to yield to me a moment ago in order to point out to him in connection with TVA procurements from the year 1934 to 1952, that in his State of Pennsylvania \$193,238,427 were spent in procuring materials.

I feel he should know that, because I believe the record shows that the great State of Pennsylvania leads all of the other States in the Union in the amount of materials sold to the Tennessee Valley Authority and that does not include many, many other purchases that have been made as a result of the operation. I wanted to get that in the RECORD because I think it is a tribute to the industry of his great State that they stand at the top in selling to this great Federal agency, this great national asset.

Mr. GAVIN. The gentleman did not answer my question.

Mr. PRIEST. I am about to get to that. I told the gentleman that I thought some subsequent things I would say would more directly go to the point he has in mind.

Mr. GAVIN. I want to say to the gentleman that he has value received for the money he spent.

Mr. PRIEST. Absolutely, certainly, and I believe, Mr. Chairman, that the United States of America is getting value received for every penny that has yet been invested in the Tennessee Valley Authority.

(Mr. PRIEST asked and was given permission to revise and extend his remarks.)

Mr. PHILLIPS. Mr. Chairman, I yield 5 minutes to the gentleman from West Virginia [Mr. NEAL].

Mr. GAVIN. Mr. Chairman, will the gentleman yield?

Mr. NEAL. I yield to the gentleman from Pennsylvania.

Mr. GAVIN. May I ask my very good friend, the gentleman from Tennessee, a question? The gentleman said that TVA pays back certain moneys in lieu of taxes.

Mr. PRIEST. They pay to the State and local governments. That was provided by Congress.

Mr. GAVIN. Would the gentleman tell us what States get that money?

Mr. PRIEST. The same States get it that get similar taxes paid by private utilities in those States: Tennessee, Alabama, southern Kentucky, and Mississippi, and a small amount in northern Georgia.

Mr. GAVIN. It is several million dollars each year, is it not?

Mr. PRIEST. Yes, somewhere from 3 to 4 million dollars, in lieu of local taxes.

Mr. GAVIN. The point I am trying to make is, if my State makes a certain investment in TVA through taxes, when there is a distribution of these funds that are available to be repaid why do not all the States participate, because we all pay taxes?

Mr. PRIEST. That comes in the repayments, in which the State of Pennsylvania and all the other States share.

May I say that in an extension of my remarks I have some figures, which I hope my good friend will read, because they point out some very real facts about the Tennessee Valley Authority.

Mr. GAVIN. The gentleman has answered my question. I only wanted to bring to the attention of the Committee of the Whole that only 5 or 6 States were involved in this distribution, that the money that was paid goes to the States in the Tennessee Valley Authority area.

Mr. NEAL. Mr. Chairman, I want to discuss for just a couple of minutes one of the clauses in this bill which is coming up for a vote tomorrow which needs consideration by each and every Member of this Congress. I think it needs consideration because of the interpretation which may be made of this clause:

And the Administrator shall make every effort to collect from any veteran hospitalized, cared for, or treated for a nonservice-connected disability according to the ability of the veteran to pay for such hospitalization, treatment, or care.

In my opinion, that provision can be interpreted to cover a great deal of abuse which would naturally come about in the administration if the Administrator of Veterans' Affairs were inclined to interpret it to mean that he could hold out to the veterans the opportunity to come into the hospitals, occupy the beds in the hospitals, and pay whatever they could afford to pay, and by so doing overcrowd the hospitals and prevent the admission of many serious cases, which thus might have to wait a long time before they could be admitted.

I want you to consider that possible interpretation of that clause because at the appropriate time tomorrow I expect to offer an amendment to delete the

clause. I believe when you consider the possible interpretation that may be placed upon that provision and the opportunity it gives the Administrator to make such interpretation and apply under the law whatever he considers to be just, you will consider that the deletion of this phrase from the bill is certainly justified.

Mr. THOMAS. Mr. Chairman, I yield such time as he may desire to the gentleman from Massachusetts [Mr. LANE].

(Mr. LANE asked and was given permission to revise and extend his remarks.)

Mr. LANE. Mr. Chairman, I hope that tomorrow, no amendments will be offered to reduce the appropriation for the Veterans' Administration.

There are 2,288 beds in VA hospitals that are vacant, due to lack of funds.

More will be folded, if any proposed cut in the budget for veterans goes through.

The Veterans' Administration is the largest of the independent agencies. For all the various benefits, services, and functions, the VA asked for \$4,574,214,664 to cover the fiscal year of 1954. In the revised budget, this was pared by \$279,168,000. Even with this reduction, the total is \$137,842,704 more than estimated expenditures for the current year which ends on June 30.

The above paragraph is a broad and objective financial picture of the VA.

Veterans organizations themselves have patriotically suggested certain economies * * * but not at the expense of medical facilities and services. Veterans who need treatment must not have it taken away from them in the name of economy, or for any other reason.

Perhaps there is some misunderstanding, here, prompted by fear.

Congressman PHILLIPS, of California, himself a disabled veteran, has given us a sincere and competent explanation of the Veterans' Administration budget for fiscal year 1954. I am interested in the committee's recommendation that the appropriation for the costs of operating neuropsychiatric, tuberculosis, and general medical and surgical hospitals be separated and set up as an item in the bill. And that contract beds in other than VA hospitals—domiciliary care and outpatient care—be set up as separate items. Perhaps this will eliminate duplication and transfer of funds that have caused us some uneasiness, thinking that it might be used as a pretext for curtailing essential medical services for veterans.

We are assured that no hospitals are to be closed, but I think this should be stressed more than it has been, so that there will be no reversal of this policy in the year to come.

Regarding the figures on vacant beds, it has been claimed that it is difficult to staff VA hospitals under present conditions. If we could perform a successful operation on the redtape and save some of the money that is now wasted on repetitious paper work, and apply the same toward increasing staff salaries, we would have little trouble in attracting and holding the skilled person-

nel needed to provide adequate care for veterans in need of hospitalization.

There is a very sensitive point lurking behind the scenes of the Veterans' Administration—its cost and its administration—which many people prefer to dodge. It involves hospitalization for non-service-connected veterans.

A man or woman develops an illness years after discharge from military service. Apparently, there is no connection between military service and subsequent disability after a long interval of time.

What doctor however, can say with complete certainty that the physical strain of military service, even though it does not show at the time of discharge, or for a number of years thereafter, is not remotely responsible for the breakdown that occurs later.

It seems to me that we should not shut off these men from VA hospitalization when they need it. They also served their country. Many of them did not seek the disability compensation to which they might have been entitled had they applied in the usual manner, and had they met the basic requirements.

You may say that ignorance or negligence on their part is no excuse.

You would put them in the same class as men and women who never made the sacrifices implicit in military service.

I do not believe it is fair to deny hospitalization to the non-service-connected veteran who is in need of medical care and cannot afford it. In the average case, he wants to work steadily, to maintain a home, and bring up a family. With his average wage, however, he cannot pay the costs of medical care when he becomes seriously ill, or disabled.

Most of us are genuinely concerned about the mounting financial demands of the Federal Government, but not in denying those services that we consider to be an obligation. Like the current debate over the budget for the Air Force, it is not the goal that is in dispute but the manner of reaching it. Economies can be made, but not by sacrificing essentials.

It is true that we must have a yardstick to go by.

Instead of drawing the line between service-connected and nonservice-connected, except in the matter of priority of treatment, I am of the opinion that only the question of means is important.

If we should establish the rule that veterans with non-service-connected ailments, and whose income is \$6,000 a year and above should not be entitled to hospitalization in a VA facility or under VA authorization, then we would be on firm ground.

It is in these cases where the abuse is evident.

All other veterans genuinely in need of hospitalization and without the financial means, as determined by the above-mentioned or comparable formula, should be eligible when there are VA facilities available.

Furthermore, the veterans of World War I, who never had access to other benefits that are available to veterans of succeeding wars, are reaching the age where many of them need medical attention and they cannot pay for.

After weighing all factors, I cannot conscientiously favor a cut in the appropriation originally requested for the veterans hospital program.

Mr. THOMAS. Mr. Chairman, I yield 7 minutes to the gentleman from Alabama [Mr. RAINS].

(Mr. RAINS asked and was given permission to revise and extend his remarks.)

Mr. RAINS. Mr. Chairman, I have little idea that I will be able to convince anyone, in the time allotted, who already has his mind made up on this subject. I think it is regrettable, very frankly, that a controversy has come up with reference to moving the TVA offices at a time when the TVA itself seems to be in rather dire circumstances. I do want to say, however, in my opinion that the subcommittee overstepped its prerogatives when it stepped in to tell the Board of Directors, charged by law with the administration of the TVA, as to how to operate the TVA agency of the Government. I think we gave the Board of Directors that right by law, and it is their duty and their responsibility. I would like to say one other thing, and I do not mean this in any unkindness to the members of the subcommittee because I have great admiration for them individually and as a committee, but I am wondering when the subcommittees of the Committee on Appropriations are going to cease usurping the legislative prerogatives of the legislative committees of the House of Representatives. I do not mean that as any unkind cut to any individual member. But, I have noticed, for instance, the other week on the housing bill, which came out of a great committee such as the Committee on Banking and Currency, and in other matters, such as come within the jurisdiction of the Committee on Veterans' Affairs, where we labor long day after day in an effort to write legislation, that then the Committee on Appropriations, which after all has no greater duty than we as members of these other committees have, come in and impose their will by legislative riders on these great legislative committees by the rule and the ruse of waiving points of order. The day will come in this Congress when the legislative committees will grow weary of the patchwork job that the Committee on Appropriations does on so many of these bills by writing legislation on appropriation bills. I realize I am not the one to give advice, but I think it is poor legislative workmanship not only on this bill but on many other appropriation bills.

Mr. Chairman, I want, now, to confine my remarks to the TVA. I happen to represent a district in Alabama which has only 1 TVA county and 7 counties served by a private power company. I am one of the few who knows what it means to work closely with private enterprise in the power business and with the TVA. I say to you frankly, I compliment both the TVA and the power companies in my State for the wonderful cooperation they exercise in working together. I have noted with dismay attacks made here on the TVA as if suddenly it had grown up to be some sort of giant octopus seeking to deny people of other sections of the

country their rights. It was 20 years ago this year that the TVA was founded and started off on the great track of real service to the people. At that time that section of the South was very commonly referred to as the Nation's number one economic problem. At that time the hills and valleys of Tennessee and Alabama were flooded and eroded and the people who inhabited that part of the country were eking out a meager living from soil which was not protected. I came from that section of Alabama where no home except in the towns and cities had any kind of electric power prior to 1920. Today the REA, not supplied altogether by the TVA, because the private power companies supply 5 REA's in my district and the TVA supplies 2, but the TVA yardstick rates and the competition, if you will have it so, that TVA gave to private industry caused the private utilities to move and to begin themselves doing the job of rural electrification. Sure TVA has transformed that section of the South, but at the same time the TVA has been the good and worthy servant of all the people in all the States. I remember one time when a wartime President set the goal of 100,000 planes in 1 year to fight Hitler and people were doubtful. I tell you if it had not been for the TVA there would not have been those 100,000 planes each year to meet Hitler's might—not at all. Not only that, I was here in the days when they were struggling first with the development of the atomic bomb, as were many of you, and I can tell you that the atomic bomb itself would never have been attained for Hiroshima or Nagasaki except for the TVA.

I think that every person, in every State in the Union, has a stake in that great attainment. So let us not become little and narrow in our views and believe that this, after all, is but a sop to certain sections of this great country of ours.

I think of digging in Boston Harbor; that costs the people of my State money. I think of the ship canal from the gulf to Houston. That cost my people money. I think also of the great developments in Pennsylvania and other States that cost the people of Alabama money.

Mr. GAVIN. If the gentleman will yield, I would just like to have the gentleman name them.

Mr. RAINS. I have no intention of trying to name them. But I do not think the gentleman would want to tell this Congress that the Federal Government has not spent any money for internal improvements in the State of Pennsylvania.

TVA is a great instrument for the national good. I think President Eisenhower agreed, because I have before me that very famous telegram, gentlemen on the left side of the aisle, which he sent, and that I am sure he meant and still means. I cannot believe that the day has really come when we want to cut up TVA into sections. I think it is as important to build a plant in Memphis as it is in any other State.

The CHAIRMAN. The time of the gentleman from Alabama has expired.

Mr. THOMAS. I yield the gentleman 2 additional minutes.

Mr. RAINS. The point that I am trying to make is this. The TVA is a system. You cannot have the TVA develop in one section of the TVA area and not in another. I wonder if anyone here thinks that because you are building some new generators in east Tennessee, that if the lights go off in Memphis they will still burn in east Tennessee. That is not correct. It will operate as one whole system. And if you curtail its operation, if it is needed—and President Eisenhower said he favored it—if you curtail its operation in one section you curtail it throughout the area.

We talk about \$1 billion expended. It is expended for the people of the United States, and I think that the record will prove that it is the best investment, the wisest investment this Congress has ever made for the internal improvement and the defense of this country.

The CHAIRMAN. The time of the gentleman from Alabama has again expired.

Mr. THOMAS. Mr. Chairman, I yield such time as he may desire to the gentleman from Alabama [Mr. BATTLE].

(Mr. BATTLE asked and was given permission to revise and extend his remarks.)

Mr. BATTLE. Mr. Chairman, I join my Alabama colleagues today in this fight to uphold the law in moving the TVA headquarters to Muscle Shoals. Politics should not be placed above the interest of effective, efficient, and economical operations of this great undertaking which has meant so much to the defense of our America.

The law specifically states that this headquarters must be located in Alabama and then when the Board of Directors moved to carry out this provision it was stopped by the Congress from doing its duty. Surely this does not make sense.

Mr. Chairman, I will support the Andrews amendment to carry out the original intent of Congress so that we can go ahead with the development which means so much to Alabama, Tennessee, and the entire country.

I hope the Congress will approve this move.

Mr. PHILLIPS. Mr. Chairman, I yield 5 minutes to the gentleman from Iowa [Mr. JENSEN].

Mr. JENSEN. Mr. Chairman, as many of my colleagues know, I was chairman of the Government Corporations Committee in the year 1947. TVA, being a Government corporation, naturally they came before that committee to justify their requests for appropriations. Up to that time Congress had appropriated for TVA \$389 million plus for revenue-producing facilities, which was for hydroelectric power and steam power plants. The law which established the TVA provided that all moneys appropriated by Congress for revenue-producing facilities should be returned to the Treasury of the United States.

I read that law and I told my committee that I felt it was our duty to see to it that the law was adhered to. Mr. Clapp, the Administrator of TVA, testified before the committee several days and he

strenuously opposed the writing into the bill that provision which would reiterate the law as originally established by Congress which I have just explained. Finally, however, Mr. GORE, of Tennessee, a member of the committee, who is now Senator GORE, said to Mr. Clapp:

I can see no good reason why TVA should not pay back in accordance with the law that amount which the law provides they should pay back.

So we wrote into that bill a provision which required the TVA to pay that \$389 million plus into the United States Treasury over a period of 40 years. Up to that time they had paid into the Treasury only \$20 million. I understand now they have paid into the Treasury some \$80 million plus. But believe you me, they fought like Trojans to keep the Congress from collecting that money. It was then that I lost some confidence in the management of TVA.

I made a trip to the Tennessee Valley all alone that year and I stayed there a day or two before I reported to TVA headquarters. I talked with many people in different walks of life. Most of them were glad that TVA had been established in their valley. Some of them were not so happy about it. A number of them said to me: "I do not like the idea that we have three men not elected by the people but appointed by the President who can dictate to us everything pertaining to our economic and business life in the Tennessee Valley."

The Tennessee Valley crosses State lines; hence it affects State sovereignty. I was told by one of the members of the Board in confidence—he is not a member of the Board now—that that Board had more power than any three bad men in America should have or good men should want, and he said: "I hope the Congress of the United States will see to it that river-valley authorities of this nature are not organized in any other section of America; because then it will be only a short time until a few men not elected by the people will have control of the power and the water resources of America, and then they will control America."

That has been the main reason why I have opposed the Federal Government getting into the power business any place in our land further than is safe and good for the future of America.

Mr. NICHOLSON. Mr. Chairman, will the gentleman yield?

Mr. JENSEN. I yield to the gentleman from Massachusetts.

Mr. NICHOLSON. Are we not producing more power in the Tennessee Valley now than we need?

Mr. JENSEN. Let me answer by saying the private industry, even though it is forced to compete with TVA power rates, can and will furnish all the power that is needed in the Tennessee Valley for everything, including the military, if given a fair chance to do so. And let us not forget that the private utilities which surround the TVA area pay on an average of over 3 mills in local, State, and Federal taxes on every kilowatt-hour of power they produce and market. The TVA rates today are less than 5 mills per kilowatt hour. You can readily un-

derstand how the private utilities in that area are handicapped in asking people to invest in their stocks or shares in order to build power-producing and transmission facilities in that area.

Mr. JONES of Alabama. Mr. Chairman, will the gentleman yield?

Mr. JENSEN. I yield to the gentleman from Alabama.

Mr. JONES of Alabama. The gentleman stated a moment ago, as I understood him, that as TVA operated in more than one State it had trespassed upon local sovereignty.

Mr. JENSEN. Yes, to some degree.

Mr. JONES of Alabama. In the 20 years that TVA has been in existence, can the gentleman give me a single instance or example in which a governor of those respective States in which TVA has operated has complained that TVA has tried to usurp local authority?

Mr. JENSEN. No, because he would not dare. That is the answer. TVA holds more power than any State official in that area, and they know it. Let us have no misunderstanding about that.

Mr. JONES of Alabama. The gentleman is not saying that the men who are elected governors of States are not men of honor and integrity and are afraid to speak their own minds?

Mr. JENSEN. I will answer that by saying that in a dictatorship honest, honorable men are sometimes made into dupes. That is too often the case. I am not saying the governors of any of those States, have bowed and scraped to everything TVA has asked them to do. But they know the power of TVA, make no mistake about that. Because TVA has more money to spend than do the governors, and Federal dollars are mighty powerful.

Now, so far as steamplants are concerned, the laws covering the Bureau of Reclamation do not permit the building of steam plants by that organization any place. The TVA Act does permit the building of steam plants and I am sorry it does. But I hope that this Congress will see to it that no other agency of Government is permitted to build steam plants, and no more steam plants should be built by TVA in my studied opinion.

Mr. PRIEST. Mr. Chairman, will the gentleman yield?

Mr. JENSEN. I yield to the gentleman from Tennessee.

Mr. PRIEST. Is the gentleman aware of the fact that the TVA steam plant construction program was begun at the urgent request of the Government when the Watts Bar plant was built in order to provide electricity for the Atomic Energy Commission and Alcoa?

Mr. JENSEN. Oh, yes, how well I remember those days when everything had to be done by the Government of the United States under the guise of national defense. But, we had better bring that to a halt at the earliest time possible to forstall a military dictatorship here.

Mr. Chairman, in closing let me say that we of this generation had best look ahead, especially when we continue to appropriate for this great TVA empire within our great American empire. We had best see to it that in the future private industry build with its own money

the necessary steam plants and transmission facilities not only in the TVA area but in every area of these United States. If we do not the day will come when the Federal Government will have control of all the electric power of America for he who controls the electric power of not only America but any land can completely control that nation. Look across the sea to England. When the Socialists in England got control of the power then the rest of the socialization and nationalization of England was a push-over.

Let it not happen in America.

The CHAIRMAN. The time of the gentleman from Iowa has expired.

Mr. THOMAS. Mr. Chairman, I yield 5 minutes to the gentleman from Georgia [Mr. FORRESTER].

Mr. FORRESTER. Mr. Chairman, on February 4, 1953, Admiral Boone, Chief Medical Director, Department of Medicine and Surgery, advised me by letter that the Veterans' Administration had 20 tuberculosis hospitals and 35 neuropsychiatric hospitals in our country and 103 general medical and surgical hospitals.

That apparently is true, although tuberculosis and neuropsychiatric hospitals are, and have been, desperately needed. On February 2, 1953, I was advised by Hon. W. K. Barrett, State veterans' service officer of Georgia, that the one neuropsychiatric hospital in Georgia, located at Augusta, had a waiting list of over 400 veterans, and that 514 Georgia veterans were in the State insane asylum at Milledgeville awaiting a VA bed. Mr. Barrett further advised that there were 2 tubercular hospitals serving the southeast, 1 at Augusta, Ga., and 1 at Oteen, N. C., and that both were filled and that there is an average waiting list at Augusta, Ga., of approximately 100. That tubercular patients and neuropsychiatric were not getting hospitalization was known in 1944, and a veterans' hospital construction program was contemplated.

Pursuant thereto a program was set up. In July 1946, official notice was given by the VA that a 250-bed tubercular hospital would be built in Americus, Ga., that city having been selected and that city agreeing to furnish 25 acres of land free to the VA, and to extend water facilities to the site. Americus, through the chamber of commerce, bought the land and paid for it, the deed being made to the United States in consideration of \$1. In addition, the city of Americus spent \$50,000 for water facilities, including an artesian well to serve the hospital they had been assured would be built.

The hospital was never built. In fact we have been notified that no hospital will be built, and that the lands the Americus and Sumter County Chamber of Commerce had bought and had deeded to the United States had been declared surplus.

I wrote the office of the General Services Administration and advised that I assumed the land would be delivered back. I was told to my amazement and disgust that the land would be sold and the United States would get the proceeds. However, the lands are being held from sale until determination is

made as to whether additional hospitals will be built. Principles of common honesty apply to the United States and Veterans' Administration as to individuals. They should build that hospital as they said they would do. I hate to see my country break its word, do you not? I am certain that Americus never doubted the word of the United States, and I am glad they did not.

It is true that Americus so completely believed the United States that deed to the land was made to the United States in fee, without any reservation, for \$1, and this was done at the insistence of the Veterans' Administration. Americus was shocked to be told first, no hospital for you, although you bought land and spent \$50,000 for water facilities, relying on our word; second, we will sell the land and pocket the money. If no hospital is built, I will be before you with a bill asking you to give us the land back.

The tubercular and mentally ill veterans are our wards. It is with shame I tell you of the conditions in my State. American veterans served this country, but they must serve it again. Sunday afternoon I stood by a street corner and watched the motley crowd parading before the White House. Many of them were well dressed and partaking of the fruits of the Government they do not respect. I saw an American soldier looking that crowd over and I said, "Son, what do you think of it?" He said, "Mister, we were killing Communists and being killed by Communists in Korea, but it looks like we have a fight on our hands back home, and believe me, I like a Chinese Communist better than I do an American Communist."

I would not mulct the Government for a veteran, but I gladly defend his right of hospitalization, and that it be the best there is, and it be speedily granted. They have had a shabby break. Frankly, I think the VA could have done a better job than it has done, and I believe the veterans' organizations agree with me. I hope that the new Veterans' Administration Administrator is going to dedicate himself to the service of our sick veterans and will give the law reasonable interpretations.

The tubercular and mentally ill veteran must have the benefit of the doubt as to service-connected disability, as these diseases are slow in developing and hard to detect until the diseases have become so apparent that the layman can see something wrong.

I cannot help calling attention to the situations I have described as existing in Georgia. Doubtless the same conditions exist generally. We must correct them, and correct them now, and this I am ready to do.

Mr. THOMAS. Mr. Chairman, I yield such time as he may desire to the gentleman from New Jersey [Mr. HOWELL].

Mr. HOWELL. Mr. Chairman, the bill which we are considering today I believe to be one of the most important to come before the House this session, because the action which we take on the appropriations for fiscal 1954 for the operation of the Veterans' Administration will probably set the trend for years to come as to allocations of adequate funds for this

most important of Government agencies. If we fail to provide the necessary moneys for the care and treatment of our veterans, to whom we owe so much, we may be required to change the basic laws which provide veterans' benefits, and, by amendatory legislation, thus deprive those who have served us well of the rights and privileges to which they are entitled. In fact, we have an inkling of such action for I understand that a staff report submitted at the time the Appropriations Committee was considering H. R. 5690 carried the inference that these appropriations were being recommended for fiscal 1954 pending a thorough legislative study and congressional determination of appropriate changes in the basic legislation for granting compensation and pensions, which is only one part of the VA program. Former President Truman, in recommending funds for the VA for next year, submitted an estimate of \$4,574,214,664, and I am convinced that in so doing, he gave careful thought to the needs of the veterans' program. With the emphasis which has been placed on sound economy during the past few years, I am sure that this estimate was not exorbitant and unreasonable. President Eisenhower, in submitting his recommendations, requested an appropriation of \$4,295,046,664, while the committee cut these funds even more to \$4,008,335,264. It is therefore a sound assumption that with such drastic curtailment of funds, some of the services of the VA must be drastically limited, or, even in some instances, eliminated entirely, and veterans suffer as a consequence.

I am interested particularly in two phases of VA operations, which I strongly feel should not be hampered, namely the medical program and compensation and pensions.

I call to your attention a statement by the Medical Director of the VA who admitted that over 5,00 beds in VA hospitals would become vacant if these lower budget estimates were adopted. In addition, the opening of a number of new hospitals, so badly needed at this time, would be indefinitely deferred because of the lack of funds to maintain them.

It is common knowledge that at the present time there is a tragic lack of hospital space and medical facilities for veterans and certainly we can expect no improvement with even lower appropriations. In my own State of New Jersey alone, where two very fine VA hospitals are located, at Lyons and East Orange, the picture is anything but bright. As recently as a month and a half or so ago, there were 64 service-connected veterans suffering from neuro-psychiatric conditions, who are seeking admission to Lyons, but who are now required to remain in county and State mental institutions because of the lack of beds at Lyons.

Fortunately—and I say this proudly—New Jersey has a very fine system of care for its mentally ill—but this may not be true elsewhere, and it is unfair to veterans and their families for them to accept so-called second-class care. The hospital at East Orange was originally

constructed to hold 950 beds but only 322 patients can be treated there, while there is a waiting list of 255. My colleagues may ask why East Orange does not care for those mentally ill veterans who are unable to be admitted to Lyons.

East Orange is a general hospital, and although it maintains a psychiatric clinic, it is not equipped to care for long-term patients, suffering from mental disabilities. This picture must be duplicated in many of our other States, and is only one phase of the VA program where additional funds are needed, not less funds. Nor do I feel it possible to judge the extent and quality of medical care by dollars and cents alone. Who can estimate the real value of service which is rendered by VA hospitals throughout the country to those who are physically and mentally sick.

It has been said that veterans in some instances have found that medical care is too readily available to them. With that I cannot concur. It has been my experience that veterans in New Jersey seek medical care and treatment only when they need it, and they are independent enough not to expect these services unless they are actually required. I believe that our veterans resent this inference, as I do, and have proven by their service that they are willing to accept responsibility for their own welfare.

The other item which I ask that you review most carefully before voting on these cuts is that for compensation, and pensions. There is a growing fear on the part of veterans that this reduced appropriation for fiscal 1954 is only the first step in the lowering of all compensation and pension payments. Report No. 550 states that—

The committee recognizes the fact that funds provided for this purpose are to meet a contractual obligation of the Federal Government. If an additional sum is required during the next fiscal year, the committee will recommend funds to meet the situation.

While I feel generally that a study should be made of the compensation and pension program of the VA with the view of improving inequalities, and so forth, I cannot approve a system of financing whereby appropriations for the immediate present are based on some future action, vague and problematical as that is. Current appropriations should keep pace with current laws. Could any of us regulate our own personal finances for today on what might be our requirements several years in the future?

No one believes in economy more than I do, but I do feel that current appropriations should be based on current needs. To follow any other procedure would be false economy and poor financing in the most accurate sense of the word. All of us agree that there are many instances where economies can be effected, but I urge the Members of this House not to discriminate against those who have sacrificed for our country. America has always prided itself on its ability to care for you who are called to defend it, and it would be a sad commentary if we were pennywise and pound-foolish in this most important of all Government obligations. These men

and women have served us well. We must not fail them now.

(Mr. HOWELL asked and was given permission to revise and extend his remarks.)

Mr. THOMAS. Mr. Chairman, I yield 7 minutes to the gentleman from Tennessee [Mr. FRAZIER].

TENNESSEE VALLEY AUTHORITY

Mr. FRAZIER. Mr. Chairman, TVA requested an appropriation of \$254,355,000 for 1954. The bulk of the 1954 appropriation requested is for power facilities to meet national defense and growing civilian requirements. The Bureau of the Budget recommended a cut of \$61 million, reducing the requested appropriation to \$190,822,000.

The Appropriation Committee, in reporting this bill, adopted the recommendation of the Bureau of the Budget with one exception. The present bill, as supported by the committee, eliminated all funds for resource development. The Bureau of the Budget had recommended \$2,377,000 for this purpose. With this additional cut, the present bill now carries an appropriation of \$188,371,000, which is a reduction of \$65,984,000 under the TVA budget estimate.

Twenty years ago on May 18, 1933, the TVA was created by Congress. In this act the TVA's responsibilities, duties, authority, and what it was to do were clearly defined. These were:

First. To provide upon the Tennessee River watershed the maximum amount of flood control.

Second. To provide maximum development of the Tennessee River for navigation purposes.

Third. To develop the maximum generation of electric power.

Fourth. To develop the proper use of marginal lands.

Fifth. To develop the proper method of reforestation of all lands in the drainage basin suitable for reforestation.

Sixth. To make a contribution to methods of improving agricultural conditions in the valley of the drainage basin.

The Tennessee Valley is the only region in the country in which the unified development of a valley with its whole watershed has been carried out. Within the limits of the watershed of the great Tennessee River—and its adjacent Cumberland River—are located over 1¼ million users of municipally and cooperatively distributed electricity.

Since its creation by the Federal Government, the TVA has become the sole source of electric supply for this area, an area embracing some 80,000 square miles in which some 5 million people live and work. It includes all the State of Tennessee, a substantial portion of northern Alabama and northern Mississippi, the southern edge of Kentucky, and fringe areas of Virginia, North Carolina, and Georgia.

We have made great progress in the Tennessee Valley in the past 20 years. When the TVA started to build dams in 1933, the entire region which is now served by the TVA electricity, used about 1½ billion kilowatts of electricity. Today, homes, farms, and factories of the TVA power-service area are using more

than 23 billion kilowatts of electricity a year. By 1956, the additional power plants now under construction would make the power system sufficiently large to supply more than 59 billion kilowatt-hours a year.

But even that is not enough. The farms still without electricity—some 10 in every 100—will need more power. The new homes to be built, the new schools, and hospitals will increase the demand for electricity. The new electrical appliances—and this region is the fastest growing electrical appliance market in the United States—will take more electricity. New power plants must be built to permit these things to happen, to meet these demands. New industries will want more power but will not be able to get this power unless TVA starts to build more power plants next year.

TVA has done much more than provide electricity for this great area; it has completed and there now exists upon the Tennessee River a 9-foot navigation channel from Paducah on the Ohio River to Knoxville, Tenn.—a distance of 650 miles. This modern ice-free channel, all weather channel, links the Tennessee Valley region with the 8,000-mile inland waterway system of the United States. Upon this navigatin channel traffic is now running at the rate of 800 million ton-miles annually, compared to some 33 million ton-miles in 1933. In 1933 the tonnage was mostly sand and gravel which moved short distances. In 1953 the tonnage includes oil, gasoline, automobiles, coal, fertilizer, corn, and wheat, and the Tennessee Valley is linked with such inland water ports as Pittsburgh, Minneapolis, St. Paul, Chicago, St. Louis, and the ports on the gulf coast. The result of this TVA created navigation channel has been that shippers using it upon the Tennessee River are saving in excess of \$8 million annually in traffic charges.

The TVA has largely controlled the floods which occurred annually on the Tennessee River. Floods are, of course, one of our national problems, annually causing much destruction. In this period of 20 years the TVA has placed into service an integrated system of 28 dams which control the flow of water on the Tennessee River system, now providing nearly 12 million acre-feet of storage for the reduction of floods. Completion of 2 additional dams under construction will bring the number to 30. Five of these dams are owned by the Aluminum Co. of America, and are operated by TVA, under agreement as part of the river's integrated water control system. Nine of the dams are on the Tennessee River and 21 are on the tributary streams. The great benefits which have come from this flood control system of TVA are, of course, first apparent in the Tennessee Valley region, but they likewise extend far outside of the valley. It has been carefully estimated that since the establishment of this flood control system \$11 million of annual average benefits have been brought about—more than half of which are outside of the valley—in the lower Ohio and Mississippi Valleys. When the Tennessee River is in flood, and it does flood during certain

seasons of the year, the storage behind the TVA dams is great enough to reduce large floods at Cairo, Ill., where the Ohio joins the great Mississippi River, by from 2 to 4 feet. The TVA system of multiple purpose dams, by increasing the effectiveness of existing levees, provides security from floods of certain stage to nearly 6 million acres of productive Mississippi land—and it reduces the frequency of flooding in the Mississippi Valley on an additional 4 million acres of land. Prior to TVA it was almost an annual occurrence for my own city of Chattanooga to have moderate floods. These flood stages still occur, but have been greatly reduced through the upstream reservoirs of TVA's multiple purpose reservoir system. Since Norris Dam—the TVA's first project—was placed in operation in 1936, it has been conservatively estimated that Chattanooga has been saved an estimated \$45 million in flood damage.

It is not too well known that the TVA chemical plant at Muscle Shoals, which was constructed during World War I, is the Nation's only large-scale laboratory and center for the development of fertilizer. These facilities, devoted to fertilizer production research in peacetime, also produce munitions of war when needed in time of war. TVA's data on new products, new processes, the use of new equipment—all developed at Muscle Shoals—are made available to and used extensively by the private fertilizer industry. Fertilizer companies all over the country have benefited by TVA's work in this field. TVA has been a factor in opening up the Nation's western phosphate reserves, which are the largest in the country.

During World War II electric power from the TVA averted a crisis in aluminum production and kept new bombers flowing from assembly lines. The pre-war construction of TVA dams and powerplants proved to be a stroke of foresight for our national defense.

TVA power was used to build the first atomic bomb. The men who built Douglas and Fontana Dams on record-breaking schedules to supply power for Oak Ridge helped to end the war.

Today it is necessary for TVA to double its power facilities to meet the valley's requirements, including expanded operations at Oak Ridge and a new plant being built in western Kentucky by the Atomic Energy Commission.

IMPORTANCE OF TVA POWER FOR NATIONAL DEFENSE

By far the greater part of the new generating capacity that TVA plans to put in operation between now and the fall of 1956, and for which Congress is presently being asked to appropriate funds, will supply power vital to the defense of our Nation. More than half of it is required to help power the new and expanded atomic energy installations; other parts will supply industries producing vital defense materials—large power consuming industries supplied directly by TVA and a large number of smaller industries served by the municipal and cooperative distributors of TVA power.

In World War II, three-fourths of TVA's entire power output was used for

defense production. More than 10 percent of all the power used in the United States defense effort came from the TVA system. In future emergencies, similar or larger proportions are to be expected. TVA power produced much of the aluminum that helped make possible the rapid expansion of the aircraft program; TVA power was used to produce much of the phosphorus for incendiary bombs and other military uses; TVA power produced large quantities of the ferroalloys so essential to the production of alloy steels for weapons of all kinds; TVA power helped separate uranium 235 at Oak Ridge for the A-bomb, and the availability of TVA power was a key factor in the location of the Oak Ridge operations.

One of the primary requirements of any region of our Nation which must be met, if the area is to continue to prosper and grow, is to meet the electricity requirements as they arise.

By far the greatest single factor in the rapid increase and demand for power which has occurred during the last few years in the valley has been the needs of the Atomic Energy Commission with its large expansion programs at Oak Ridge and Paducah. When these additions are completed and taking the amounts of power which TVA is expected to supply, the total amount of TVA power to be used by the Atomic Energy Commission will be 24 billion kilowatt-hours a year. This large amount of electric energy will account for approximately 40 percent of the estimated 60 billion kilowatt-hours generation the TVA will be required to furnish in 1956.

These new requirements of the AEC, of course, are piled upon other growing demands for power in the region. Based upon what has happened in the past, the conservative estimate shows that between 1952 and 1956 it is expected that the demands for power by the business, industrial, home and farm customers served by the 150 power distributors, plus the demands of the few large industrial consumers served directly by TVA, will increase by 75 percent.

The power distributors, who in fiscal year 1945 required 3.3 billion kilowatt-hours, in 1956 are expected to require 11.7 billion kilowatt-hours. In 1952 they actually required 6.5 billion. When the figures of these large power requirements are studied, it can be seen that the projected goal by 1956 of 9,600,000 kilowatts of generating capacity is conservative.

The use of TVA electricity in the Third Congressional District of Tennessee, which I have the honor to represent, was 2½ times as large in 1952 as in 1945. The increase was largely in use of power by business and industry, as well as by homes and farms.

TVA power is distributed in this district by 10 locally owned and operated electric systems—6 municipalities, 4 rural cooperatives. These electric systems have an investment of \$39 million in facilities for delivering power to some 111,000 homes, farms, businesses and industries. The investment has doubled since the war, increasing from \$19

million in 1945. This illustrates the growing participation of these locally owned systems in the job of regional power supply.

The growth in use of electricity in the homes and on the farms—over four times as large in 1952 as in 1945—reflects not only an increase in the standard of living of individual families, but the extension of rural lines to many previously unserved farms. The number of farms served has been increase from 5,582 in 1945 to 16,174 at the end of 1952.

The annual use of electricity by business and industry in this district was more than twice as great in 1952 as in 1945. This growth is due to the expansion of facilities by older firms and the creation of new facilities by new firms such as the Wheland Gun Plant, Combustion Engineering-Superheaters, Inc., E. I. du Pont, and Tennessee Products & Chemical Corp. The rapid growth of productive capacity of the district's industries, as demonstrated by the doubling of power use since the war, represents an important potential for defense production in times of emergency.

To help supply the growing power needs of this and neighboring districts, TVA is now constructing the first 8 units of the nearby Kingston steam plant and 2 additional units at the Widows Creek steam plant just below Chattanooga. The 1954 budget includes funds not only for continuing the present work on these units but also for beginning the installation of the ninth unit at Kingston, which will make this plant the largest in the world.

The TVA act states that the power program is to be self-supporting. The power operations more than fulfill the requirements of the TVA act that they be self-supporting. In the fiscal year, 1952, TVA power revenues amounted to \$95 million, with net revenue from operations after deductions of operating expenses, including depreciation of \$25,800,000. This amounts to a return of 4½ percent average net power investment. For the past 6 years, the rate has averaged 5 percent annually. The rate from power operations over the entire period of TVA existence has averaged over 4 percent annually on the average net investment. Over the period, the cost of money to the Government has averaged 2 percent.

In 1948, the Congress directed TVA to repay the Treasury and RFC investment in the power system—determined at that time to be \$348,239,240—over a period of 40 years, including retirement of \$2,500,000 of its bonds annually. It provided also that TVA should repay appropriated money invested in new facilities within 40 years after the facilities went into operation.

At June 30, 1952, TVA had paid \$40 million of power revenues into the general fund of the United States Treasury and had retired over \$26 million in bonds. This makes a total of more than \$66 million which has been repaid. Of the total repayments \$15 million in payments to the Treasury and \$8.5 million in bond redemptions had been made prior to passage of the 1948 appropriations act. Altogether, TVA on June 30, 1952, had

financed out of net cash proceeds from power sales \$207 million of power plant and other assets which are the property of the Federal Government.

Under section 13 of the TVA Act, TVA pays 5 percent of its gross revenues from sale of power—exclusive of that used by TVA or sold to other Federal agencies—to States and counties in which it owns power property or carries on power operations. The minimum payment is the amount of State and local ad valorem property taxes formerly paid on power property purchased and operated by TVA and on reservoir lands allocated to power. In addition to the TVA payments, municipal distribution systems make tax-equivalent payments and co-operative systems pay taxes as required by the various States.

In the fiscal year 1952, TVA payments in lieu of taxes were \$3,036,000. The tax payments of the municipal and cooperative systems in the same year totaled \$4,672,000. The combined payments of TVA and the distributors were \$7,708,000, exceeding by about \$4,474,000 the former State and local ad valorem property taxes on all power property purchased by TVA and the municipal and cooperative systems and on all reservoir lands.

TVA is not required to pay Federal income taxes. However, all of TVA's income belongs to the Government; and if a share of TVA's power earnings were earmarked for income taxes in the same proportion as for utility companies, there would still be enough left over to cover the Government's cost of providing the money.

The question is often asked by Members of Congress as to why TVA, an agency responsible for the multipurpose control of the Tennessee River system, should be constructing steam-generating capacity on such a large scale and under what authority it is doing so.

The reason for building these steam plants is the tremendously increased demand for electric power, not only by the homes, farms, business establishments, and industrial plants, which now total almost 1,300,000 in number, but also by the great atomic-energy plants constructed in the region for national defense. By 1956 TVA will be supplying 25 billion kilowatt-hours a year to the Atomic Energy Commission's plants at Oak Ridge, Tenn., and Paducah, Ky. This is more power than was sold in any 1 of 45 of the 48 States last year; it is exceeded only by the sales in the States of California, New York, and Pennsylvania.

Expanding industrial development as well as new homes, schools, and hospitals will increase the demand for electricity. Electric appliances to be added—this region is the fastest-growing appliance market in the United States—will take still more electricity. The farms yet to be electrified—about 10 in every 100—will further increase the demand for power, and the farms recently electrified have only begun to make effective use of power in farming operations and in the farm home.

In 1933, only 3 percent of the farms in Tennessee were electrified. Now,

about 88 percent of these farms are electrified. In that year, there were no milking machines in Tennessee. Now, all the large dairy farms and most of the smaller farms are equipped with them. Nearly every farmhouse has its washing machine, frigidaire, and deep freeze.

The original TVA Act, passed in 1933, authorized the construction and operation of both hydro and steam plants. It also gave TVA custody of both Wilson Dam and the 60,000 kilowatt steam plant the Government had built at Muscle Shoals during World War I.

Electricity is one of the bedrock necessities in a modern economy and the progress of any region depends upon it. The TVA area is one of the fastest-growing regions in the country today, and its power needs are correspondingly great.

It is frequently charged that tremendous amounts of money are being poured into the Tennessee Valley area and that this area is the sole beneficiary of appropriations made by Congress for the TVA.

The money invested in the TVA power system does bring great benefits to the area it serves, and none of us wish to minimize that. But it should be pointed out that TVA investments in power facilities will be paid back by the region in dollars to the Federal Treasury. But Members of the House should know that dollars appropriated to TVA for power facilities are not spent solely in the Tennessee Valley although the completed plants are located in that region and will be paid for by the power consumers of that area.

Transformers purchased by TVA are produced in Massachusetts, Pennsylvania, Missouri, and Wisconsin; circuit breakers come from Pennsylvania and Massachusetts, and condensers from New Jersey and Pennsylvania. If the pattern of TVA procurement in the past is repeated, Delaware, Pennsylvania, and Massachusetts will supply piping and valves purchased with funds provided in the appropriation for fiscal 1954. New Jersey and California will manufacture feed-water pumps. Boiler equipment will be manufactured and delivered from Ohio, Illinois and Indiana; New York, Michigan and Maryland will produce instruments and metering equipment, motors will come from Wisconsin, Minnesota, Pennsylvania, and New York. Machine tools from Ohio, Maryland, and Pennsylvania, while blowers and fans will be produced in Michigan. Trucks and tractors will be manufactured and delivered from Illinois, Michigan, Ohio, New York, Pennsylvania and Wisconsin. Cranes and power shovels will come from Wisconsin, Ohio, Illinois, Michigan, New York and California.

From 1934 through 1952 TVA purchased almost \$800 million worth of manufactured goods, 90 percent outside the State of Tennessee, 78 percent outside the 7 States of the Tennessee Valley. When you lump together the purchases of manufactured goods, raw materials, and services, only 42 percent came from the 7 valley States from 1934 through 1952.

From these figures you can readily see that the Tennessee Valley Authority not only benefits the region where it is located, but many other States.

TVA requested \$30 million to commence the construction of a steam-generating plant at Fulton, which is some 40 miles from Memphis, Tenn. The Bureau of the Budget and the Appropriations Committee had rejected this request and denied the TVA the funds with which to commence this additional steam plant which is badly needed to supply the city of Memphis, Tenn.

In 1935 the city of Memphis signed a contract with TVA, a Federal agency designed to supply all the power needed in the area served. This contract provides that the city of Memphis shall take all of its power from the TVA. The city of Memphis has made investments in electric facilities, plants, and other assets of \$51,753,554. When Memphis contracted with the TVA the maximum demand on the Memphis system was approximately 59,000 kilowatts. The maximum demand at the present time is 241,000 kilowatts. The city of Memphis will in all probability reach a peak of 300,000 kilowatts by the summer of 1954. Any large industry or war project might accelerate this rate of growth. These facilities are, therefore, inadequate. If TVA is going to prepare for the expected growth at the expected rate of increase the lead would be doubled in 6½ years. If this additional plant is not built, it will stop the industrial development and growth of Memphis and west Tennessee.

The Appropriations Committee has made an additional cut of \$2,377,000 in the bill now under consideration which the TVA had asked for resources development. This is a serious blow to TVA and area and bad for the Nation. It is a blow at the very heart of TVA, not because of the amount of money involved, but because of what the money pays for.

This cut will eliminate from TVA the entire program which sets TVA apart from an ordinarily conceived power production agency. Included in the resource development category are such things as the forestry management program; the reservoir development program, which includes fish and wildlife operations and recreational developments; the industrial development program, to assist local governmental and private agencies in their efforts to attract new industry to the area; the topographical mapping service which, for the first time in the history of the area, is providing adequate land maps; all agricultural development work with the exception of the fertilizer test demonstration program.

In cutting out these phases of TVA operation, it destroys the concept of developing a region's resources through coordinated programs.

I urge you to restore this cut which means so much to this entire area.

Under the program, the TVA has greatly contributed to the reforestation of the area; it has encouraged farmers to plant barren areas and thereby replenish the Nation's rapidly depleted lumber supply. TVA has participated

in the replanting of cut-over timber lands. Under this program, 254 million seedlings have been set out in the valley.

I most earnestly implore you to restore this small cut that means so much to this area. I urge you to consider the value of TVA to national defense and the future security of the Nation.

(Mr. FRAZIER asked and was given permission to revise and extend his remarks.)

Mr. COTTON. Mr. Chairman, I yield myself 15 minutes.

(Mr. COTTON asked and was given permission to revise and extend his remarks.)

Mr. COTTON. Mr. Chairman, I hope I shall not use all the 15 minutes, but as this debate nears its close, there are a few points that I would like to see in the RECORD.

The first point that I would like to see in the RECORD is the fact that we who serve on the Independent Offices Subcommittee are particularly fortunate. We are very nonpartisan. There are reasons for our nonpartisanship. Those of us who serve as privates in the ranks of the Independent Offices Subcommittee may be perfectly happy, whether the Democrats or the Republicans control the Congress, because we have had two of the best chairmen, I think, that any committee can boast of in the House of Representatives.

It was a pleasure to serve under the gentleman from Texas [Mr. THOMAS]. It is equally a pleasure to serve under the gentleman from California [Mr. PHILLIPS]. And while we might, for some other reasons, have a preference as to who wins the next election, so far as the chairmanship is concerned we shall always be happy.

We have been discussing many things this afternoon. I just want to call your attention to some of the overall facts. The first is that we have reduced the budget recommended by President Truman last January by over \$1 billion in this portion of the independent offices bill.

There are a few high points that undoubtedly will be the subject of much discussion tomorrow and that have been the subject of discussion in the past few weeks. I want briefly to go back to this matter of the Veterans' Administration and call the attention of this House to the fact that I think that your subcommittee has been able to present the kind of a bill that should protect the Members of this House on both sides of the aisle from difficulty in the coming year as regards our treatment and our consideration of the Nation's veterans.

I picked up at random, and have in my hand now, a copy of the New York Daily News of yesterday. I see in it an article entitled "Turned-Away Marine Gets VA Bed."

It tells how some marine could not get a bed at the Fort Hamilton Veterans Hospital in Brooklyn, and a bed was finally secured for him; and then we find these words—and I read them because they are the sort of thing that you have been reading for many months. It says:

The rejection of Barrett, revealed in the News last Friday, focused public attention on the fact that 180 beds in the Fort Hamilton Hospital lie empty for lack of trained personnel to care for patients, the result of a congressional economy move last October.

That sort of thing appears in the press all the time, and the impact immediately hits us all.

As a matter of fact, we will not dig up past history, but this Committee on Independent Offices tried its best and has, ever since I have been on it, leaned over backward, to be liberal, to see that appropriations are given for hospital beds for the Nation's veterans.

But there are other factors that enter into this matter. As has been already said in this debate, money cannot make doctors, or nurses, or those who treat neuropsychiatric patients, or technicians. All these are in scarcity.

There are many instances of this kind—I have one in my own State—where there are vacant wards and vacant beds simply because they could not obtain the doctors and the psychiatrists and the nurses and the attendants to care for them. But the impact comes back on you Members on each side of this aisle. So this time and with all due respect to the veterans' organizations—they have done a fine job as they always do in protecting the interests of the veterans—but this came about before any conference with them; we in the subcommittee said we were going to try to fix it this year so that there could be no question. So let me remind you that we gave the Veterans' Administration the exact amount of money, every single last penny they said was necessary, to activate every bed in this country in veterans' hospitals, including 19 new hospitals they expect to be opened during the coming year.

The amount we gave them was more than the so-called revised Eisenhower budget; it was more than the so-called Truman budget; it was the exact amount they said was necessary to do this job.

Mr. PRIEST. Mr. Chairman, will the gentleman yield?

Mr. COTTON. I yield.

Mr. PRIEST. I congratulate the gentleman and the committee on this particular bit of work and I would just like to ask the gentleman if it is not true that if there are not enough facilities in these hospitals it will not be because of lack of appropriation by the Congress, assuming that we appropriate this amount.

Mr. COTTON. That is absolutely true, I may say to my friend.

Mr. PRIEST. Because the Veterans' Administration told the committee that this was all that would be necessary to operate all of the beds.

Mr. COTTON. That is precisely what they said.

Mr. PRIEST. I thank the gentleman for yielding to me.

Mr. COTTON. In taking care of it we added this provision, in order that there should be economy but at the same time these beds should be cared for: We said this amount we give you, the full amount you asked—and I think, Mr. Chairman, it is the only time that we have exceeded both budgets so far in this House this session—we give you this full

amount for hospital beds. It is predicated on 114,000 hospital beds. If you cannot get doctors, if you cannot get psychiatrists, if you cannot equip them all, then you use only that portion of this money that is proportionate on the number of beds you actually put into operation. This, we thought, was fair and was safe. It means they cannot come back and say to this Congress that we did not take care of the veterans. If the full number of beds is not activated, it will not be for lack of funds.

Now, I want to say just a word about the other part of this bill; that it is quite evident to everyone is somewhat controversial. That is the Tennessee Valley Authority. As a representative of the State of New Hampshire, as a New Englander, I should be an implacable enemy of TVA. I do not think that I am an enemy of TVA. I had the privilege of going down and looking over that system to some extent with my friend from Alabama a few weeks ago, and I want to say to you that as an American citizen I was thrilled and inspired to see that great power system pumping its power into the Oak Ridge atomic plant and other defense plants.

I, for one, even though I come from New England, which is power hungry, and even though I cannot go along with the underlying theory behind TVA, have no desire to do anything that will cripple it, or will cause it to lose the benefit of what has been done by this Congress and by the Nation in past years. But I could not help but view with some degree of apprehension some aspects of that great socialistic experiment. These features are not confined to power. Up in my State we have pine forests; as a matter of fact, our small State exported more pine lumber during World War II than any other State in the Union except one. It takes us 20 to 30 years to grow a pine. They grow much more rapidly down there in that beautiful southland where you gentlemen have so many advantages. I saw while I was down there acres of pine seedlings being cultivated by TVA to be distributed throughout those Southern States. I could not help but think that the people of my State of New Hampshire were contributing to producing those seedlings—it sounds like a small matter—to be distributed in order to grow pine in competition with one of our greatest resources.

I saw beautiful artificial lakes behind the great dams and I found in the budget here \$106,000 requested for recreational developments and to pay the salaries of technicians and experts to advise the chambers of commerce of Tennessee, Alabama, and these other States how to advertise those artificial lakes to get the tourists away from the most beautiful spot in all America, the White Mountains of New Hampshire. I said to myself: There is something wrong with such a system.

Now, to be more serious: Four new steam plants were requested. Two of them were additional units to steam plants already in operation; two of them were to be units of a new steam plant starting over in West Tennessee. The

Bureau of the Budget, after reviewing the request, granted the two that were additional units to plants already in operation and denied the other two. Our committee compromised because we had conflicting viewpoints and made that as our recommendation.

But let me say to you that the time has got to come when we are going to decide which way we will travel in this matter. Before our committee the representatives of TVA told us very frankly, and I respect them for their frankness, that the needs were growing in that valley so that they would undoubtedly be asking the Congress for 4 or 5 new units each year for the next 5 years. I do not question the need for them. I, for one, do not question the fact that, having gone in there and started to produce power, there is a certain obligation, and I certainly want to back up the President in saying we will not strike a blow to cripple them suddenly. But the time has come when we must decide how far we are going.

I hope to have the privilege of bringing this matter to a head by introducing a bill in this Congress to try to provide some way that the people of this great valley can take over that portion of the TVA which is a power development. The Federal Government may continue to contribute to them for flood control, for navigation and for other legitimate projects in which the Federal Government is interested, but they may issue their own bonds and securities as other power companies do. They may own and control and operate their power development and then it will be theirs. They will not be faced with the situation of being dealt with year after year by the Congress. They will not have to come here and complain that the Congress is trying to tell them where to put their administrative offices, whether they shall have a new building or not. They will not suffer from the whims of Congress because they will have the reins in their own hands. And we shall, who come from various States, as I do, that need power so desperately, will not be reproached at home for continuing to advance money, even though it may be paid back sometime, without interest, to continue to satisfy the ever-increasing demands of one section of the Nation.

Mr. Chairman, I just want to say this before I yield. I hold in my hand a sheet that interests me very much. It lists some of the investments that this Government has. For 20 years we had an idea that everything that was to be done, the Federal Government had to do. It lists rubber plants, Federal barge lines, Federal powerplants—the steam plants we have been talking about this afternoon, fertilizer plants, aluminum plants, United States Government apartment houses, United States Government storage plants, and many others.

It reminds us that Charles E. Wilson, not the Secretary of Defense, but the other Charles E. Wilson who was the head of defense mobilization, has said that if the Government of the United States will return to private capital and to private operation the great industries

and plants that it owns, that it will mean a billion dollars in taxes each year coming into the Federal Treasury. That, Mr. Chairman, is one way to reduce taxes. That, Mr. Chairman, is one way to reduce the national debt. That, Mr. Chairman, is one way to return to private initiative the power to produce. I am not an enemy of TVA; I am a friend of TVA when I say we should bring this about not only in this instance, but in other instances of Government operation of great industries.

Mr. SUTTON. Mr. Chairman, will the gentleman yield?

Mr. COTTON. I yield to the gentleman from Tennessee.

Mr. SUTTON. I greatly appreciate the realistic position that the gentleman from New Hampshire takes on this matter since he has been down in Tennessee, and that he can realize the position we in Tennessee are in. In 1933 the Congress of the United States made it a public-power monopoly. We are in the position where we are at the mercy of the Congress, so to speak; whether or not they will let us develop the power there or to make us a choking economic failure. Now it is up to the Congress to decide whether or not we are going forward as a State of this Nation by means of the public power we have, or to let somebody else take it over. I hope that the Congress in its wisdom never will leave us without any public power, but I hope that they will decide one way or the other so we can advance as a State of this Union instead of crippling us in cutting TVA out from under us.

Mr. COTTON. I will say to my friend I think he will advance faster and further and more successfully as a private industry than he will by continuing as a ward of the Government of the United States in any kind of socialistic experiment financed by the Government.

The CHAIRMAN. The time of the gentleman from New Hampshire has expired.

Mr. THOMAS. Mr. Chairman, I yield to the distinguished minority leader, the gentleman from Texas [Mr. RAYBURN] such time as he may desire.

Mr. RAYBURN. Mr. Chairman, of course it would be a fine thing if private enterprise would do all these things that are claimed for it. If we had depended on private enterprise to electrify the farms of this country they would have been in the same shape they were 20 years ago in the great Southwest, in that great farming area, when free enterprise was electrifying the country. In 1934, fewer than 3 percent of the farm homes of the country were electrified. Then we went into this socialistic thing—people called it that at that time—of lending money to farm cooperatives to build rural lines, and today more than 90 percent of the farm homes of all the great Southwest are electrified. There would not have been 10 percent electrified at that time if we had not gone into this thing that people at that hour called socialism, and the great Tennessee Valley would never have been developed as it is and as it should be in the future if you had turned it over

to private enterprise, and anybody that has ever studied that area down there knows that without any question whatsoever.

Mr. THOMAS. Mr. Chairman, I yield such time as she may desire to the gentlewoman from Idaho [Mrs. Frost].

Mrs. FROST. Mr. Chairman, I rise to make some brief remarks about one of the economic tragedies of our time. During a period of unusually high metal consumption in the United States, and at a time when we are not producing enough lead and zinc from our own mines to satisfy our demands, the price of those vital commodities has dropped to a point where most of our marginal mines have closed up and many of the higher grade properties have had to curtail operations and are losing money. I am informed that more than 2,500 lead and zinc miners are out of work and in Arizona only one important producer is left operating and that only because other metals are present in the ore. Nearly 100 mines are shut down in the tri-State area. In my State of Idaho many mines have closed, more than 500 men are out of work, and the outlook is dim indeed. Creeping paralysis is setting in.

Mr. Chairman, mines cannot be opened and closed like opening and closing a grocery store where the goods will still be available on the shelves. It costs a lot of money to maintain a mine in standby condition. Many mines once shut down can never be reopened and the loss to the Nation of valuable metals, and to the communities, the State and the Nation in property values and taxes is almost incalculable. The real tragedy, however, would be reliance upon foreign sources of supply for metals which are vital to our national defense. Modern submarines and aircrafts could sweep our shipping lanes clear. It is one thing to place orders for war materiel and another to have the metals with which to make it. Ours is a metals economy in peace and in war.

What is the matter with our metals prices at a time when our consumption far outstrips our production? Mr. Chairman, it is the vast volume of foreign lead and zinc which is being dumped here in order to get dollar exchange—lead and zinc produced by cheap labor, and—yes, a good deal of it financed by the United States Government, which will not stretch out a hand to aid the domestic miner.

There is at present before the Ways and Means Committee a bill known as the Simpson bill, to establish a sliding scale tariff on lead and zinc which is intended to stabilize the domestic prices of these metals around 15 or 16 cents per pound. No quotas are involved, and the bill would not block needed imports. It merely would keep the largest part of our lead-and-zinc industry in a healthy condition. After all, aside from the strategic necessity for a strong, vital domestic mining industry, I ask you, Mr. Chairman, who employs our labor and pays our taxes, Idaho or Bolivia, Arizona or Africa, Peru or Missouri?

There seems to be some question whether the Simpson bill ever will get to this floor for consideration. Although

there are a scattering of members of the Ways and Means Committee who are from metal-producing States, I do not feel that a matter of such grave import as this one should be left to this committee, learned in these matters as it is, to decide.

Mr. Chairman, let us have the Simpson bill brought out on this floor, for open debate, where the issues can be fairly and squarely placed before the Members for a vote, and see whether or not they prefer to support foreign investors and foreign labor or to pass the Simpson bill and support American enterprise, American labor, and American capital. I beg the Members of this House to ponder these matters carefully and demand that they have the chance to vote American and protect domestic industry.

(Mrs. FROST asked and was given permission to revise and extend her remarks.)

Mr. PHILLIPS. Mr. Chairman, I yield such time as he may desire to the gentleman from Indiana [Mr. Bray].

(Mr. BRAY asked and was given permission to revise and extend his remarks.)

Mr. BRAY. Mr. Chairman, the veterans' hospitalization program must not be impaired. We must not allow another situation to occur such as that in 1933 when veterans were ejected from veterans' hospitals without their clothes. I am aware of the problems connected with the hospitalization of veterans. Before I came to Congress I was post service officer of both my local American Legion post and my local post of the Veterans of Foreign Wars. I also served as county veterans' service officer, and I believe that I am well acquainted with the need and the importance of the veterans' hospitalization program.

By this statement, however, I do not mean to excuse extravagance and inefficiency in the operation of the veterans' hospitals. The veteran is just as interested in having this program efficiently and economically run as are other taxpayers. We are all aware that the Veterans' Administration has in many ways become bureaucratic and extravagant. We realize that the hospitalization program has not been run as efficiently as it should have been. We are also aware that this inefficiency and extravagance is keeping the veteran and the taxpayer from receiving the full value of the taxpayer's dollar that is spent. If we merely cut the appropriation to run the veterans' hospitalization program and do nothing to correct the present inefficiencies, then this inefficiency will continue and the hospitalization program of the veteran will suffer. While the operation of the veterans' program is not purely the function of the Congress, as the Congress merely appropriates the money, the Appropriations Committee has, in my opinion, in this bill gone a long way toward bringing efficiency and economy into the veterans' hospitalization program.

In the past the Veterans' Administration has stated the maximum number of beds which it could open, equip, staff, and operate for the following fiscal year. Congress appropriated money to carry

out these hospitalization plans. The Veterans' Administration has spent the money but has not operated the number of beds for the veterans for which it had requested funds and for which Congress had appropriated adequate money. In this appropriation bill, if the Veterans' Administration does not operate these hospital beds for the veteran, then the money which it is allowed to spend will be reduced proportionately. This is a commonsense proposal and should increase the number of veterans getting hospitalization, increase the efficiency of that hospitalization, and save the taxpayer money.

The appropriation for the hospitalization of the veteran for the next fiscal year is more than will be spent for hospitalization this current year and is also more than the original budget estimate. The Acting Administrator of Veterans' Affairs and the Chief Medical Director have both stated that this appropriation gives them all of the funds to operate all of the hospitals now in operation or which will come into operation during the next fiscal year. The Chief Medical Director also stated that they could continue to furnish the high quality of food in the hospital. I have also personally contacted and talked with the officials of the American Legion, the Veterans of Foreign Wars, and the Disabled American Veterans, and they have all assured me that they are satisfied with the appropriation bill as it now stands as it relates to the hospitalization of the veteran.

I want to congratulate the veterans' organizations which have taken an active interest in this program. Their individual members and their officials have contacted individual Members of Congress and have conferred with the Appropriations Committee and have assisted in working out this plan which should benefit all concerned. It is in the interest of all of us to see that this hospitalization program works. All of us hope that when the new Director of the Veterans' Administration takes over he will develop a revitalized program that will give the veteran better hospitalization and the taxpayer more hospitalization value for the tax dollars.

At this time I would also like to bring to the attention of the Congress the situation existing in the State of Indiana, which adversely affects the hospitalization of the veterans in that State. There has been a critical shortage of available beds for the hospitalization of veterans in Indiana for some time. For several years we had the Cold Springs Road Hospital at Indianapolis which had 347 beds for general medical and surgical use. The 500-bed Billings General Hospital, which previously was connected with Fort Benjamin Harrison just northeast of Indianapolis, was made available to the veterans at the close of World War II. This made a total of 847 beds for general medical and surgical use. Then the Government constructed a new and modern veterans hospital on West Tenth Street in Indianapolis, near Indiana University's School of Medicine. This hospital has a total of 494 beds. At first it appeared that the Veterans Hospital-

ization Program in Indiana would be well taken care of. However, the Veterans' Administration, pursuant to the President's budget message for the fiscal year 1950, ordered Billings General Hospital closed, and ordered the Cold Springs Road Hospital to be turned into a tuberculosis hospital. And while tuberculosis hospitals are needed, this order removed 347 beds from the general medical and surgical program which were so vitally needed. Therefore, instead of the new hospital on West Tenth Street increasing the total available beds for medical and surgical use by 494, Indiana had 353 less beds available for medical and surgical use for the veterans than it had before the new Tenth Street hospital was constructed.

I have discussed this matter several times with the Indiana officials of the American Legion and the Veterans of Foreign Wars and with the officials of the Veterans' Administration, and I am hopeful that in the near future something can be done to remedy this situation. I do not intend to cast the blame on any previous administration or on the Veterans' Administration. This condition came about through a failure to properly plan our veterans programs. Many veterans hospitals were located for purely political reasons. There are two things necessary for the proper location of veterans hospitals. First, it must be in a locality where there is a sufficient number of veterans who need and are entitled to hospitalization. Secondly, the hospital must be located where there are adequate doctors, nurses, and technicians available to properly staff this hospital. We are all aware that there have been hospitals constructed where there were not sufficient veterans in that locality to possibly fill the hospital. Hospitals have also been constructed at locations where it was impossible to properly staff them.

In Indiana we certainly have the need for additional hospital beds. The officials of the Veterans' Administration have admitted this to me several times. The Veterans' Administration also admits that there are sufficient personnel available to staff an additional veterans hospital in Indianapolis or vicinity.

It is useless, however, to spend a great deal of time blaming people for that which has happened in the past. In the future, however, we can and must see that the veterans hospitalization program is sanely and soundly administered. I do think that the interest of the veterans organizations such as the American Legion, Veterans of Foreign Wars, and Disabled American Veterans and their respective auxiliaries are helping and will continue to help the Congress vitalize the hospitalization program.

Mr. PHILLIPS. Mr. Chairman, I yield 3 minutes to the gentleman from West Virginia [Mr. BAILEY] for the purpose of asking a question.

Mr. BAILEY. Mr. Chairman, I have asked for this time in order to ask the distinguished chairman of the committee a question relative to the possible use of surplus medical service and beds in the several hospitals for the purpose

of special treatment of psychiatric and tubercular cases.

May I preface my statement by saying that in my State of West Virginia we have an original hospital built after World War I in connection with the regional office at Huntington, and we have two of the newer hospitals, each of 200 beds, just recently completed and occupied. We are also using the facilities of the old Army hospital at Martinsburg, W. Va.

The hospital association of my State of West Virginia is interested in the possibility of converting one of those institutions to the treatment of tubercular patients. One of them happens to be located at an elevation of approximately 3,000 feet and about half a mile distant is a State tubercular institution. It is ideally located.

May I ask the chairman if the Administrator of Veterans' Affairs would have authority, without authority from the Congress, to make such a change and set that hospital up as a special hospital for the treatment of tubercular patients?

Mr. PHILLIPS. It is a question in my mind whether he could actually remodel a hospital or change the categories of patients in that hospital. I would say offhand that he could. If the Solicitor advised him that he could not, I can assure the gentleman from West Virginia that I do not believe there would be any hesitation on the part of the Congress to give him such authority, because it is perfectly obvious that there are hospitals in the United States not used to their fullest capacity. The hospital named in West Virginia is one of those which was built for 200 patients, activated to 176 patients, has never had more than 122 patients in it, and has 202 employees in the hospital for those patients. If we can use these hospitals perhaps by changing a GM and S to an NP or a TB—and I think the one the gentleman speaks about would be eminently satisfactory for a TB hospital; is that right?

Mr. BAILEY. That is right.

Mr. PHILLIPS. Then it seems to me that is a better use of hospitals. Congress is very much in favor of that, and hopes that the new Administrator will initiate such a reexploration or reinvestigation immediately.

Mr. BAILEY. I thank the gentleman from California for the information.

Mr. THOMAS. Mr. Chairman, I yield 5 minutes to the gentleman from Mississippi [Mr. ABERNETHY].

Mr. ABERNETHY. Mr. Chairman, the only source of power for the greater part of my congressional district is supplied by the Tennessee Valley Authority. If there is to be, and I hope there is, an expansion of industry in my district and if the few remaining homes and farms which do not have electricity are to have it in the future the TVA must be authorized and empowered to increase its power-generating facilities to meet these needs. This situation not only applies to my section but it applies to all other districts located within the sphere of operations of the TVA.

I have listened most attentively to the debate this afternoon and am disturbed with the course which it has taken. One group expresses the opinion that everything is wrong with TVA and nothing is right. Another group has expressed the opinion that everything is right with TVA and nothing is wrong. Most assuredly both groups are mistaken. The TVA has no doubt made some mistakes but these mistakes are not so serious but what they could be corrected. Certainly, they have not been so bad as to warrant its complete abolition as many seem to desire.

Most of the things about which anti-TVA members have complained can, if need be, be corrected by the Congress. Some complain that it does not pay enough in lieu of taxes. If this be true it can be corrected by the Congress. Some complain that its repayment schedule is too slow or that the annual payments are too small. If this be true it, too, can be corrected by the Congress. Not a single complaint has been registered here today against the TVA but what it cannot be corrected, if it need be, by an act of this Congress. I do not understand why those who complain and criticize do not make a more constructive approach and offer what they believe to be the proper remedy to correct the mistakes and wrongs which they attribute to the TVA. Mind you, I am not agreeing with them; I am simply saying that ordinary everyday sniping at TVA is not getting us anywhere, nor is it doing us any good. If there is, in your judgment, anything wrong, then back it up by the introduction of an amendment or a bill.

Much has been said about the accomplishments of TVA and the wonderful advancement which the people in the valley have made since it was established. With all of this I am in full agreement. Homes and farms in our section enjoy lights and power today which, had it not been for the TVA would still be living by the light of oil lamps. A fine working relationship has been established between the TVA and the people and their local agencies. There is every reason to believe that this good relationship will continue. It definitely is one which the people wish to continue and, as previously stated, the progress which they have made cannot be maintained or expanded unless the TVA, their only source of power, is permitted to meet the demands made upon it by expanding its operations.

The city of Memphis, west Tennessee, and northeast Mississippi will not and cannot make the progress which they should make and which they are capable of making unless the TVA is permitted to construct the plant it has programmed for Fulton, Tenn. I was tremendously shocked when this administration on submitting its budget deleted from the budget the funds which the TVA sought to start this plant. This deletion in my judgment violated a solemn pledge made by the Republican Party through its presidential candidate last year. This was hardly to be expected following the commitment which President Eisenhower made in Memphis,

Tenn., at the time when he was Candidate Eisenhower and seeking the Presidency of the United States.

On October 15, 1952, Candidate Eisenhower in his Memphis speech solemnly stated that if he were elected President there would be no disposition on his part or that of his administration to impair the effective progress of TVA. On November 3, 1952, the day before election, Candidate Eisenhower made a solemn commitment in a telegram over his own signature as follows:

Let me reiterate what I tried to make clear in my address at Memphis, TVA will be operated and maintained at maximum efficiency.

In order that this solemn pledge might be made generally known and used to the most effective advantage in securing votes for the Republican ticket it was published on the front pages of the Knoxville News-Sentinel and the Memphis Press-Scimitar the day before election. It was conceded by the editors of both papers that this solemn commitment made by Candidate Eisenhower was responsible for his receiving an extraordinarily large vote throughout the Tennessee Valley and a majority of the vote in the State of Tennessee.

It is rather strange that one of the first official acts of the President and his Budget Bureau was to recommend a budget which would not maintain the TVA at maximum efficiency all quite contrary to his pledge. Although it has been clearly shown that the construction of a steam plant at Fulton, Tenn., is sorely needed to avert a shortage of power in that section of the valley, this item was stricken from the budget and also from the pending bill.

This action, unless overridden by the Congress, definitely means that the TVA will not be kept at maximum efficiency. It means a shortage of power in the Tennessee Valley. A shortage of power means a short economy. This, as I heard the distinguished Governor of Tennessee say the other day, will mean a legislated depression for our section of the country. Truer words were never spoken. Could this be the lowly pattern which this administration has set for our people—all of which is contrary to its pledges solemnly made the day before its candidate was made President of the United States?

Tomorrow an amendment will be offered to restore the funds for the Fulton plant. I sincerely hope that the members of the committee which recommended the deletion of this plant and those of you who have spoken generally against the TVA this afternoon will, between now and tomorrow, reconsider. In the meantime search your conscience and determine for yourselves whether or not this action is in keeping with the pledges made by your candidate for President less than 24 hours before the sun rose on election day last November. In closing let me remind you that your candidate for President on this occasion also stated that under his administration "TVA will continue to serve and promote the prosperity of this great section of the United States."

Could it be that you have forgotten so soon?

Mr. THOMAS. Mr. Chairman, I yield such time as he may require to the gentleman from Florida [Mr. LANTAFF].

Mr. LANTAFF. Mr. Chairman, a few moments ago information reached me from Miami that the reduction in appropriations for the Veterans' Administration would force the VA to close the Miami regional office. I would like to direct a question to the gentleman from Texas [Mr. THOMAS] and ask him whether or not budget reductions will force such a move?

Mr. THOMAS. The answer is "No."

Mr. LANTAFF. Is it contemplated that any regional office will be closed down because of the lack of funds included in this bill?

Mr. THOMAS. The answer is "No."

Mr. LANTAFF. Were the committee informed by the Veterans' Administration at the budget hearings or the appropriation hearings that they contemplated closing any regional office?

Mr. THOMAS. The answer is "No."

Mr. LANTAFF. I thank the gentleman.

Mr. THOMAS. Mr. Chairman, I yield 5 minutes to the distinguished gentleman from North Carolina [Mr. DEANE].

Mr. DEANE. Mr. Chairman, I am grateful to the gentleman from Texas [Mr. THOMAS], the ranking minority member of the committee, for this time.

It has been most reassuring to me to hear the chairman of the committee, the gentleman from California [Mr. PHILLIPS], and the gentleman from Texas [Mr. THOMAS], the ranking minority member, say that the sum of \$555 million as provided in the bill on page 11, line 18 will be sufficient to maintain the vacant beds now existing in VA hospitals. In this connection, I was advised by the Veterans' Administration this morning that there are now 2,288 vacant beds in VA hospitals because of a lack of funds. Is that true?

There are in the process of construction 9 general medical and surgical hospitals and 4 neuropsychiatric. They are as follows with the total bed capacity:

Location	Bed capacity
General medical and surgical:	
Ann Arbor, Mich.....	496
St. Louis, Mo.....	496
Chicago, Ill.:	
Cancer research hospital.....	516
General hospital.....	496
Oklahoma City, Okla.....	496
Pittsburgh, Pa.....	742
Cincinnati, Ohio.....	496
New York, N. Y.....	1,252
Neuropsychiatric:	
Salisbury, N. C.....	973
Pittsburgh, Pa.....	956
Brockton, Mass.....	958
Los Angeles, Calif. ¹	1,000
Total.....	8,887

¹ Not scheduled to open until after fiscal 1954.

It is estimated that these hospitals under construction will be ready or completed during 1953 and as late as May 1954. They have a total bed capacity of 8,877. Do I understand that this appropriation of \$555 million contemplates

taking care of those beds in those hospitals which are now under construction, both general and NP?

Mr. PHILLIPS. If they are under construction. Now we are carrying out the neuropsychiatric program, and also include in this bill money for Topeka and San Francisco just as we put Cleveland and Los Angeles in last year. But one of those hospitals of 1,000 beds, which I think is on your list, does not come in until August 1954, and therefore would not be in this year's budget. Do you have a general medical and surgical hospital on that list in Cleveland?

Mr. DEANE. The neuropsychiatric hospitals I have named are located as stated: Salisbury, N. C.; Pittsburgh, Pa.; Brockton, Mass.; and Los Angeles. I am interested in all of them, but I am interested at this time primarily in the one in Salisbury, N. C., which the adjutant of the North Carolina American Legion indicates it is 95 percent complete and the Veterans' Administration tells me as of this morning that they could begin to receive patients in October of this year. What I am asking is whether or not this particular scheduled opening of this hospital is included in this appropriation of \$555 million.

Mr. JONAS of North Carolina. If the gentleman will yield to me to answer that question, I will say that I have been in touch with the Veterans' Administration officials with respect to the Salisbury Hospital because it is near my home. I am equally interested in it with the gentleman from North Carolina who asked the question. I have been informed within the last few days by the Veterans' Administration that money is already in hand to complete construction of the hospital, which is practically completed now. And also to fill it with supplies and completely equip it, and it will open according to plan subject only to their ability to staff it.

Mr. DEANE. I thank the gentleman. I bring the subject up because there have been many reports in North Carolina that the Salisbury Hospital would open on a certain date, then another date has been indicated.

Mr. ALEXANDER. Mr. Chairman, will the gentleman yield?

Mr. DEANE. I yield to the gentleman in whose district this hospital is located.

Mr. ALEXANDER. Mr. Chairman, I want to ask this question, since there has been quite a bit of propaganda that it would not open and it would be staffed.

Is it the intention of the committee that this new \$16-million hospital will be opened as scheduled and will be staffed?

Mr. JONAS of North Carolina. It is not only our intention; if there is any doubt about it, we shall insist upon it. We asked the specific question when the officials of the VA were before our committee whether there were any plans not to open that hospital as scheduled, and we were assured that the hospital should open according to plan. I just stated a moment ago that the money is there, regardless of whether appropriated in this bill or not, to completely equip the hospital with all necessary equipment and supplies.

Mr. DEANE. Mr. Chairman, my purpose in bringing up this Salisbury hospital is to nail down in the record for good that this hospital is going to open on schedule. Likewise I am sure that the Members of Congress will be interested in those NP hospitals in Pittsburgh, Pa.; Brockton, Mass.; and Los Angeles, Calif., and whether or not funds are being made available in this bill for the opening and maintenance of these NP hospitals as well as the nine general medical and surgical hospitals I described that are scheduled for early completion.

The CHAIRMAN. The time of the gentleman has expired.

Mr. PHILLIPS. I yield the gentleman an additional minute so that I may answer his question.

May I say that the one in Salisbury is scheduled to open in October of this year with 973 beds; Brockton will open in September of this year with 958 beds, and so on.

Mr. DEANE. One other question if I may direct to the gentleman from California [Mr. PHILLIPS]. What gives me concern is the legislative language appearing on page 20, line 6. I read:

The Administrator of Veterans Affairs is hereby authorized in his discretion, to activate and operate at reasonable standards throughout the fiscal year 1954 those beds which are needed and which can be staffed, in the following categories: (a) all beds in Veterans' Administration hospital and domiciliary facilities and all contract beds that were in use during the fiscal year 1953, except those replaced or to be replaced by new construction, (b) all beds in Veterans' Administration hospital and domiciliary facilities and all contract beds that were closed during the fiscal year 1953, except those replaced or to be replaced by new construction, and (c) all beds in Veterans' Administration hospital and domiciliary facilities constructed in the fiscal years 1953 and 1954; provided, that the qualified personnel required for the standard operation and maintenance of such beds can be obtained.

Do I understand by that language the VA Administrator at his discretion is given a free hand in determining, for example by the hospital at Fayetteville, N. C., one of our older hospitals would be discontinued. I have a letter from the manager of that hospital—

Mr. PHILLIPS. Are there patients?

Mr. DEANE. If I may follow, Mr. Chairman, I have a letter from the manager of this Fayetteville, N. C., hospital, indicating this hospital has a total bed capacity of 416, and they have vacant beds at present to the number of 66.

The CHAIRMAN. The time of the gentleman from North Carolina has again expired.

Mr. PHILLIPS. I yield the gentleman an additional minute so that I may answer his question.

It all depends upon the type of patient, the need for the hospital. We have about a half a dozen hospitals, of which that is not one that never would be occupied to the capacity for which they were built.

I do not care to become involved in the matter of a specific hospital without knowing anything about the conditions. If the hospital is needed for patients, it certainly will be kept in operation under this bill which we are now discussing.

Mr. DEANE. I thank the gentleman. If I may follow up one step further, Mr. Chairman.

In the CONGRESSIONAL RECORD of June 4, page 6314, I called to the attention of the House a story that appeared in the New York Times of Sunday, May 24. This news story had this heading: "VA Fears Closing of Six Hospitals." The article goes on to say:

WASHINGTON, May 23.—Veterans' Administration medical experts estimated today that they would have to close 6 or 7 veterans' hospitals as a result of cuts in their budget for the 1954 fiscal year, starting July 1. They were not ready to talk for the record, but their private calculations showed that 4,809 beds would have to be closed. These are in addition to 2,288 beds already held inactive for a lack of funds.

The article goes on to say that the VA medical officials are supposed to support the Budget Bureau when the appropriation hearings start. These same officials, however "are concerned, though, about how to do that and still say what they feel they must—that the cut will mean reduced medical care."

The news story continues referring to the Veterans' Administration.

They figure it this way:

The proposed medical and hospital allowance, totaling \$657,600,000 is \$13,779,467 less than they had for the same purpose in the current fiscal year; yet 10 new hospitals will be completed during the year, adding 6,187 beds to the load they must handle.

The agency wanted money to hire about 6,000 extra persons to staff the beds in the hospitals to be opened next year. They received an allowance for only 1,383. To get the rest, the officials feel they will have to "rob" older, less-efficient, and less-desirable hospitals and that could mean closing some of the older ones.

Among those on the list to be considered for this purpose, it was learned, are VA general medical and surgical hospitals in Fayetteville, Ark.; Fort Logan, Colo.; Lake City, Fla.; Fort Thomas, Ky.; Fayetteville, N. C.; Amarillo, Tex.; White River Junction, Vt.; Kecoughtan, Va.; Iron Mountain, Mich.; Vancouver, Wash.; Dublin, Ga.; Poplar Bluff, Mo.; Miles City, Mont.; Beckley, W. Va.; and Minot, N. Dak.

Within the last 10 days, I have contacted managers of the following hospitals involved in the aforementioned story to determine the bed capacity and the number of vacant beds as of June 1, and I am able to give the committee the following information:

Location	Bed capacity	Vacant beds as of June 1, 1953
Fayetteville, Ark.	254	47
Lake City, Fla.	(1)	-----
Dublin, Ga.	500	89
Fort Thomas, Ky.	395	None
Iron Mountain, Mich.	185	51
Poplar Bluff, Mo.	201	111
Miles City, Mont.	100	46
Fayetteville, N. C.	416	66
Minot, N. Dak.	162	38
Amarillo, Tex.	170	14
White River Junction, Vt.	250	43
Kecoughtan, Va.	604	134
Vancouver, Wash.	575	133
Beckley, W. Va.	176	73

¹ Reply not received.

In my letter to the above hospitals, I asked not only about their bed capacity and the number of vacant beds at pres-

ent, but also I inquired that if funds were provided, could the additional personnel needed to staff the increased number of beds be found? In reply, of the 14 responses received, the managers at Miles City, Mont.; Fayetteville, N. C.; Minot, N. Dak.; Vancouver, Wash.; and Beckley, W. Va., expressed themselves that it would be doubtful if additional personnel could be found for this purpose.

I think we should know whether or not the one at Fayetteville, N. C.; the one at Lake City, Fla.; at Dublin, Ga.; Fort Thomas, Ky., and so forth, are being considered for closing now or anytime in the immediate future.

Mr. PHILLIPS. If the gentleman will wait a moment, and permit me to interrupt, I shall yield him another minute.

The gentleman is going now into a list of hospitals that are almost impossible to staff. We just cannot staff the hospital at Dublin, Ga., at the present time. As to the one that the gentleman mentioned before that, I think it is on the list of those hospitals that are extremely difficult to staff, and no amount of money appropriated by this Congress will make a doctor or a dentist or a nurse out of a dollar bill.

Mr. DEANE. That is what I am trying to get back to, that perhaps the New York Times was not too far off base when they were giving the record here, that these various hospitals, including the one at Fayetteville, were in the process of being discontinued, and I was wondering whether or not they would be discontinued.

Mr. PHILLIPS. They have been discussed every year for the 7 years that I have been making the Veterans' budget; no more this year than in any previous years. We do not know any more this year what to do about them than we did 7 years ago. That is why I said to the gentleman from West Virginia that we want an investigation of the hospital program to see whether we can make the best possible uses of the hospitals that we have.

Mr. DEANE. In other words, I am correct in thinking that the language on page 20 gives, as I read it, the Administrator of Veterans' Affairs—

The Administrator of Veterans' Affairs is hereby authorized, in his discretion, to activate and operate—

Then it brings in, as I interpret it, hospitals similar to the ones I have mentioned, whether or not they will be continued or closed; is that right?

Mr. PHILLIPS. Or transferred to some other category. The one in West Virginia is one of the most difficult, but it could very easily be transferred to a tuberculosis hospital when it is not effective as a G. M. and S. hospital. It is difficult to answer the question, much as I would like to.

Mr. DEANE. It is a subject in which I think every Member of the House is interested, and I hope every Member will study my statement of June 4 on page 6314 which deals with these particular hospitals that were carried in the New York Times story. It included one in Fayetteville, N. C. I express the hope that the new VA administrator will

move with great care before such a hospital as the one in Fayetteville is discontinued in view of its present load and urgent need.

Mr. PHILLIPS. We concur in that, but we also point out that the list includes hospitals that are not under discussion at all.

Mr. DEANE. I only wish to point out Mr. Chairman that these hospitals are involved in the overall VA hospital program and we are entitled to know in the respective States and hospitals concerned what is in the minds of the new VA administration, what is contemplated concerning these last-named hospitals mentioned in the New York Times story.

(Mr. DEANE asked and was given permission to revise and extend his remarks.)

Mr. THOMAS. Mr. Chairman, I yield 5 minutes to the gentleman from Alabama [Mr. ELLIOTT].

(Mr. ELLIOTT asked and was given permission to revise and extend his remarks.)

SUFFICIENT MONEYS ARE BEING APPROPRIATED IN THIS BILL TO GUARANTEE THE OPERATION OF EVERY AVAILABLE VETERANS' ADMINISTRATION HOSPITAL BED DURING THE COMING FISCAL YEAR

Mr. ELLIOTT. Mr. Chairman, I want to express my personal appreciation to the members of the Committee on Appropriations of the House for the assurances they have given us this afternoon that they have provided sufficient moneys in this bill to adequately operate all our VA hospital beds next year.

The people I have the honor to represent in the Congress are interested in this question. As their representative I am interested in seeing that we appropriate sufficient funds to keep in operation every single VA hospital bed that might serve a veteran of the Seventh Congressional District of Alabama or any other veteran of this entire Nation.

Veterans of the congressional district which I represent are keenly interested in this question because only recently we have opened a new VA hospital at Birmingham, Ala. This new hospital puts our veterans in position to perhaps get better and more efficient service than they have ever enjoyed before. We are anxious to see the Birmingham hospital operate at full capacity.

APPROPRIATION OF MONEY TO OPERATE HOSPITALS DOES NOT INSURE THAT SUFFICIENT MEDICAL PERSONNEL CAN BE FOUND TO STAFF THOSE HOSPITALS

Of course, we all understand that the appropriation of sufficient moneys to operate all available beds in every VA hospital in the entire country does not mean that the VA can necessarily find the personnel—the doctors, the psychiatrists, the nurses, the medical technicians—that are necessary to staff these hospitals, and thus assure us that all existing beds will be used for the treatment of veterans who need them.

CONGRESS MUST TAKE ACTION TO ASSURE NECESSARY MEDICAL STAFFS FOR ALL GOVERNMENT HOSPITALS

And, now the question arises as to what the Congress should do to be sure that the Government can get the necessary medical staffs to operate our VA

hospitals. The same question applies with equal force to every Government hospital, whether operated by one of the armed services, the Coast Guard, the Public Health Service, or the Veterans' Administration. This is a question that the Congress must find an answer to. I hope that the appropriate committee of the Congress will begin an immediate study to determine the proper course for us to pursue. The services which these various hospitals were designed and built to render must be rendered. This is a question that the medical and nursing professions should be invited to help find an answer to. The greatest Government on earth, equipped with the statutory authority, and the money to serve certain of its people, such as its veterans, with medical and hospital care must not be rendered impotent to provide that service because of shortages of the required personnel.

THE TVA MUST BE ALLOWED TO FULFILL ITS OBLIGATION TO FURNISH ELECTRIC POWER TO THE PEOPLE OF THE TVA AREA

Mr. Chairman, I have the privilege of representing a congressional district that partially draws its electric power needs from the Tennessee Valley Authority. Culman County, Ala., gets all its power from TVA; Franklin County gets about two-thirds of its requirements from TVA; Winston County gets a smaller portion from TVA. The rest of the district, all or a part of eight counties gets its power from a private power company. And, I think it should be here said that both groups are fortunate in that they receive dependable power and good service. Further, I doubt if there are two such power organizations—one public and one private—anywhere else in the United States where the relations are as good as they are in Alabama. Here the TVA and the private power company have established a record for cooperation, exchange of power, and in other fields which I believe might be a model for other sections of the United States.

I believe now for several years that the TVA, the private power companies, and the public generally have by common consent come to understand the boundaries of the area which the TVA serves, and which under existing circumstances it must serve.

There are some of our colleagues who believe that the Government of the United States should never have been in the business of generating and distributing electric power. But, I point out that insofar as TVA is concerned that argument is academic. Here we are faced with the reality that under a law passed by the Congress 20 years ago the TVA is charged with furnishing power to a fairly large area of the United States lying partially within 7 States. The area served by it has no other source of electric energy. I do not believe that we can in good conscience deprive TVA of the ability to generate the power which the customers of its service area require. To do so would be to penalize the people of the TVA area. I do not want to see the people of Cullman, Franklin, or Winston who get their power from TVA penalized by the Congress of the United

States placing a squeeze on the source of that power. The matter could be viewed in a different light were it a question of the TVA attempting to expand its service area. And, I am confident that the Congress will eventually reach the decision that TVA should be allowed to build the facilities necessary to adequately serve its customers. President Eisenhower has openly expressed himself as being in favor of the TVA operating in such a manner as to be able to serve its customers. Will this Congress run the risk of allowing a situation to develop where because of our failure to appropriate sufficient moneys for TVA generating equipment the lights become dim in the great Tennessee Valley? I hope it will not. I do not believe it will.

ARE THE DIRECTORS OF TVA MORE POWERFUL THAN THE GOVERNORS OF THE AFFECTED STATES?

The gentleman from Iowa [Mr. JENSEN] attempted to make the point this afternoon that the directors of TVA were more powerful than the the Governors of the seven States which lie wholly or in part within the TVA area. I would like to say to the gentleman that he is most unfamiliar with the character or the temper of Gov. Gordon Persons, of Alabama; and of Gov. Frank Clement, of Tennessee, or he would not have made such a statement.

Fortunately for all of us, the directors of TVA, regardless of how much power the TVA Act gives them, have thus far pursued a policy not of wielding power but a policy of cooperation.

But let us see for a moment how powerful the TVA directors are:

Section 4 of the basic TVA Act reads:

Except as otherwise specifically provided in this act, the Corporation—

Meaning the TVA—

(f) May purchase or lease and hold such real and personal property as it deems necessary or convenient in the transaction of its business. * * *

(g) Shall have such powers as may be necessary or appropriate for the exercise of the powers herein specifically conferred upon the Corporation.

Now, section 8 (a) of the TVA Act says:

The Corporation shall maintain its principal office in the immediate vicinity of Muscle Shoals, Ala. The Corporation shall be held to be an inhabitant and resident of the Northern Judicial District of Alabama within the meaning of the laws of the United States relating to the venue of civil suits.

Now the TVA directors, not in the exercise of any of the general powers of the Corporation but instead in an attempt to comply with the plain mandate of the statute that the Corporation shall maintain its office at Muscle Shoals, is met by the Congress of the United States coming in and prohibiting the directors from complying with this mandate.

And, mind you, this is done not in the traditional method of legislating but instead by the highly dubious method of legislation on an appropriation bill. Here is what the committee said:

Provided, further, that no part of the funds available for expenditure by this agency shall be used directly or indirectly to acquire a building for use as an administrative office of the Tennessee Valley Authority so long—

And so forth. Meaning, insofar as we can foresee that for a period of 40 years the TVA cannot move its headquarters to Muscle Shoals, Ala., and thus comply with the mandate of the basic act.

Many of us have taken great pride in the fact that TVA has been operated throughout its history outside the realm of partisan politics. I sincerely regret that the first show of political operation of TVA came from the Congress of the United States. Let us call a spade a spade. Is there any reason, other than the obvious political one, why TVA should not be allowed to move its headquarters to Muscle Shoals as the law creating TVA said it "shall."

So, when this great powerful corporation gets ready to exercise one of its routine functions, the Congress of the United States steps in and prohibits it from doing so. There are many reasons as I see it that in doing so the Congress made a mistake. We are now in the position of allowing the Congress to become the court of appeal from all rulings of the Board of Directors of TVA. And, unlike other courts, the appellant before this court does not have to show that the Directors violated a statute. His appeal may be sustained on an assignment of error based on politics rather than law.

I am distressed by the attitude whereby some of our colleagues seem to feel that the TVA area has become rich and a land flowing with milk and factories. Nothing is further from the truth. It is true that we have made progress in recent years, both in the TVA area, and without, but we are still far behind the rest of the Nation, greatly behind the national averages. I represent a small part of the TVA area and from that small part I will cite an example. The average annual income per person of the part of the area I represent is something less than \$700. The average annual income per person in the United States is about \$1,500.

Yes, it is true that we are making progress. That \$700 figure was something less than \$200 when the TVA Act was passed in 1933.

I want to ask this question of those of my colleagues who complain that moneys from their States went into the costs of construction of TVA. Do you want us to advance economically in the South, both inside and outside the TVA area, so that we may stand in the position of not having to call on your help in the future? Do you want us to go forward to the point that our payments of taxes will be a greater percentage than they now are? Or do you want to beat us over the head, and attempt to cripple our ability to advance? I hope it is not the latter, because a great industrial revolution is going on south of the Potomac. Our advancement of recent years has been such that we are now able to compete with you on all counts for industrial development. I mention this to call your attention to the fact that the competition is beginning to run the other way. One of these days before long you are going to be in the position of having to compete with us. And this is going to be true whether you hamstring TVA or not.

Mr. THOMAS. Mr. Chairman, I yield 5 minutes to the gentleman from Georgia [Mr. DAVIS].

(Mr. DAVIS of Georgia asked and was given permission to revise and extend his remarks.)

Mr. DAVIS of Georgia. Mr. Chairman, I desire to ask several questions of the gentleman from Texas [Mr. THOMAS] who last year was chairman of the subcommittee on independent offices appropriations. Last year in the conference report, page 21, Report No. 2443, this language appears:

Conferees have approved the full amount of the budget estimate for research, including work in connection with prosthetic appliances, and have further agreed that there should be no reduction in the number of doctors, dentists, nurses, and dietitians.

It was my understanding that this language was placed in the conference report last year as a protection against any hospital beds being closed down in Veterans' Administration hospitals, is that correct?

Mr. THOMAS. That is correct.

Mr. DAVIS of Georgia. I was very much concerned, as many of us were, that some 2,288 beds were closed down notwithstanding this language which the Congress had placed in the conference report.

Mr. THOMAS. About 2,500, I will say to the gentleman from Georgia.

Mr. DAVIS of Georgia. So I attended a hearing before the Veterans' Affairs Committee at which Admiral Boone testified. He was asked about this very matter of closing down these beds and he testified that 2,250 employees were discharged and he said further:

I can break down that reduction of 2,250. Physicians 14, dentists 3, nurses 61, dietitians 2; other medicals such as orderlies, ward and mess attendants, 1,301, administration and supply and maintenance people 869.

That makes up the 2,250.

Now, by discharging orderlies, ward and mess attendants they just as effectively closed down hospital beds as they would have if they had discharged doctors, dentists, nurses, and dietitians, did they not?

Mr. THOMAS. I think the answer to that must be yes. May I refer my distinguished friend to the hearings. If you will look at page 632 of the hearings you will see there is no earthly excuse for closing down those beds if anything like businesslike management had been applied to the hospitals. In the first place, the Veterans' Administration will have a carryover in the fiscal year 1953, this year that they closed them down, some 8 to 13 million dollars.

In addition they spent \$600,000 for a report that neither the committee nor the Congress authorized. In addition they spent some \$7,500,000 on pay increases, and by making some just ordinary fringe cuts in personnel that do not affect the hospital operation itself nor the operation of any beds they could have picked up another two to five million dollars. Think about those figures. If you look in the hearings you will find those enumerated.

Mr. DAVIS of Georgia. I thank the gentleman for that information.

At this same hearing Admiral Boone was asked by the gentleman from Illinois [Mr. SPRINGER]:

This \$31,000,000 cut, was that applied to the Department of Medicine and Surgery alone?

He answered:

Yes, sir. As a result of congressional action we had a \$40,000,000 cut for the Veterans' Administration as a whole and \$31,000,000 was in the Department of Medicine and Surgery.

Further testimony was as follows:

Mr. AYRES. Who made the decision that the figure you gave would be applied to medical?

Admiral BOONE. The \$31 million?

Mr. AYRES. Yes. Who made that decision?

Admiral BOONE. The budget officer of the Veterans' Administration.

Mr. BIGELOW. Proportionately, it was made that way. That was our cut proportionately.

Mr. SPRINGER. As I understood, you said Congress applied this \$31 million cut to you. Did they?

Mr. BIGELOW. No. The \$40 million cut was to the Veterans' Administration, and the proportionate cut to us, to the Department of Medicine and Surgery, was \$31 million.

Mr. SPRINGER. You mean they just divided it up proportionately, depending on how many dollars you got before?

Mr. BIGELOW. That is correct.

Mr. SPRINGER. It was my understanding that that was the thing the Congress did not want to be done. Am I right on that?

Admiral BOONE. The only limitation was that there should be no reduction in the category of physicians, dentists, nurses, and dietitians.

Mr. AYRES. When Congress made the cut, they had no authorization to indicate where the cuts were to be made.

Admiral BOONE. After I got the cut, we had \$31 million less, and I had to make the determination how I was going to make that distribution.

Mr. AYRES. Who told you you had to reduce your budget \$31 million?

Admiral BOONE. That was what was given to us.

Mr. AYRES. Who gave it to you?

Admiral BOONE. The budget officer of the Veterans' Administration.

Mr. AYRES. The story we all get in our mail is that there seems to be a feeling among the veterans that the cut was made where it would hurt most so there would be pressure to restore the cut.

Admiral BOONE. That is not a fair assumption.

Mr. SPRINGER. I do not think the spirit has been complied with. The conference report stated:

"Conferees have approved the full amount of the budget estimate for research, including work in connection with prosthetic appliances, and have further agreed that there should be no reduction in the number of doctors, dentists, nurses, and dietitians."

I think the intention was that cut was not to be applied to the medical department.

Mr. TEAGUE. It is just like giving Congress a certain amount and saying, "You will not apply the cut to Congressman, but to the staff."

Now I am still concerned as I know all of us are to see that nothing like this occurs again this year.

I want to ask the gentleman from Texas another question, if I may. I notice that in the appropriation bill now under consideration on page 11, \$555 million is being appropriated for maintenance and operation of hospitals. I think that this money ought to be ear-

marked this year so that no more activities of the kind that were engaged in last year could be engaged in this year.

Mr. THOMAS. The committee has taken the gentleman's suggestion and it is earmarked and it can only be spent for that purpose this year. This is the first time it has ever been done, and that \$555 million is \$6 million more than President Truman asked for, so the Veterans' Administration and the organizations are well pleased.

Mr. DAVIS of Georgia. And that money is all earmarked this year?

Mr. THOMAS. It cannot be used for anything else.

Mr. DAVIS of Georgia. And must be used to operate these facilities.

Mr. THOMAS. That is right.

The CHAIRMAN. The time of the gentleman from Georgia has expired.

Mr. THOMAS. Mr. Chairman, I yield 5 minutes to the gentleman from Mississippi [Mr. WHITTEN].

(Mr. WHITTEN asked and was given permission to revise and extend his remarks.)

Mr. WHITTEN. Mr. Chairman, when we come to this subject of the TVA each and every year it seems to be one that generates quite a bit of heat along with the electricity that it produces for the area. But I do not think that there are some facts connected with this, which have been covered in detail, I am sure, by those who have preceded me here, but which yet have not registered apparently with many of the newspapers of the country and with many people, from the correspondence which I get.

The Government of the United States set out in the Tennessee Valley, when it set up this Authority, to meet the flood-control problems there as it has done in so many other river valleys. It also set out to provide for navigation. In between keeping the water high enough for navigation and low enough for flood control, it was provided that the power that would be generated be generated for the use of those in the area where the power could reach them. With the passage of time, in order to more properly utilize the power generation capacity of this area in which we were going to do the navigation and the flood control anyway, they added to it various steam plants so as to firm up this power so that it would be consistent on a year-round basis.

It was my privilege to serve on this subcommittee for a number of years when many of the things which were misunderstood, I thought, were straightened out. I was on the committee and took an active part in the discussion concerning the question raised each and every year, Why does not the TVA pay back to the Government what we put in it? To answer that we provided in 1948 the provision, which I helped write, that in 40 years the TVA must return to the Government the money that is spent for power generation.

This is the point I would like to make. The money belongs to the Federal Government now. This payment is not a case of the TVA's paying its way so that it belongs to somebody else, but it is a dividend in cash to the Government, a return of the money that is invested.

Once that money is returned to the Government, as is now being done, \$96 million having already been paid, with an additional \$25 million payment contemplated this year, it still belongs, and will belong, to the Federal Government.

This has meant a whole lot to the valley, and it means a whole lot to the region, including much of north Mississippi. It has meant a whole lot to the Nation from the benefits that come from having it as a yardstick in the public-utility field. But whether you believe in that, whether you think the Government should ever have gone into public power development in this area or not, it is the utility of that region. To say that it cannot expand to meet the needs of the territory it serves is just the same as saying that a private utility cannot enlarge its plant to serve the territory it serves, and it is just as unsound to say, "Let this city or that city or the other city within the territorial area served by this utility put up their own plant." As to tell the people in Cleveland, Ohio, or Charleston, Miss., or any other town or village in this country, "We cannot let the utility that is serving your area put up a generation plant to add to its system to serve your increased needs. No, you folks put up a municipal plant."

Lots of folks who are trying to strangle TVA on the growing power needs of the area are really trying to eliminate the public power feature of it. That issue was determined when the TVA, by act of

Congress, became the utility of the region. I say this is the utility of a certain geographical area. It has contributed to the general welfare and general wealth of the Nation because the huge amounts of money that have gone into that region have changed it from an area that was more or less undeveloped in some respects to one that has contributed greatly to the Nation. I do not have to mention the fact that we have called on this utility for a large part of its power to meet our needs in the atomic-energy field. But I repeat, and I think I am sound in principle, that the Congress, having determined that this would be the utility of this region, has an obligation to the people in that area to let their needs be served as we let the needs of the people in a private utility area be served by that private utility.

I have listened to much of the debate. So many of our arguments have been complete in all detail that I shall not bore you with going over the aspects of it which have been covered by other speakers. I do not know that we will change any votes. But I say it is unsound business to show your hand to the point of trying to restrict a great area of this country and at the same time claim you are for the TVA. You are reading the fine print to us now. We thought General Eisenhower was for this needed growth.

I would like to list here TVA payments to the United States Treasury:

TVA payments to the U. S. Treasury

FROM POWER PROCEEDS

	Retirement of bonds	Payments to general fund	Total
Total to June 30, 1952.....	\$26, 072, 500	\$40, 059, 019	\$66, 131, 519
Fiscal year 1953:			
Actual payments to May 27, 1953.....	5, 000, 000		5, 000, 000
Payments to be made in June 1953.....		10, 000, 000	10, 000, 000
Total payment of power proceeds through June 30, 1953.....	31, 072, 500	50, 059, 019	81, 131, 519

FROM NONPOWER PROCEEDS

Total to June 30, 1952.....		\$13, 132, 901	\$13, 132, 901
Fiscal year 1953: Actual payments to May 27, 1953.....		4, 229, 268	4, 229, 268
Total payment of nonpower proceeds through June 30, 1953.....		17, 362, 169	17, 362, 169
Total payment to U. S. Treasury through June 30, 1953.....	\$31, 072, 500	67, 421, 188	98, 493, 688
N. B.: Estimated 1954 payments to the U. S. Treasury:			
From Power Proceeds, estimated fiscal year 1954.....	5, 000, 000	15, 000, 000	20, 000, 000
From Nonpower Proceeds, estimated fiscal year 1954.....		5, 288, 000	5, 288, 000
Total estimated payments for fiscal year 1954.....	5, 000, 000	20, 288, 000	25, 288, 000

I would like to continue further and say one of the truly heartening developments which has taken place in this country during the past 20 years has been the economic resurrection of the South. The tremendous expansion in commerce and industrial activity in this great region has caused it to become a truly participating partner in our national economy. While retaining much of its previous agricultural importance, it is also succeeding in becoming a source of great industrial strength. The South has progressed with really tremendous strides but still greater strides must be made if it is to achieve a par with the rest of the Nation.

To those of us who live in the South one of the evidences of what is taking place is the growth which has marked the service institutions of the South, notably the electric systems. Fast as power supply has expanded, the growth in supply has not been as rapid as the growth in demand. This condition of growth is emphasized by the fact that for the past several years the Southeast has been 1 of the 2 major sections of the country which consistently have been listed as areas of critical or tight power supply. The other section of the country in this condition has been the Northwest.

The utilities serving the Southeast—both the privately and publicly owned systems—are making great efforts to

increase their capacity so as to be able to serve the loads which have been developing and must continue to develop. Having in mind the need to strengthen our national productive capacity to prepare for any eventuality resulting from present international relations, the Congress has encouraged this great expansion of generating capacity by permitting these utility companies to accelerate the amortization for tax purposes of a large portion of such capacity. In effect, the Congress has been giving these companies very effective financial encouragement to expand, to grow.

In the very heart of this great southeastern area, however, Congress is in effect, saying stop, do not grow. That area is the 80,000 square miles served by the Tennessee Valley Authority, including most of my own district. Paradoxically enough, this is the very region in which this extremely desirable growth in power use has been even greater than in the rest of the Southeast.

To provide barely enough power to keep abreast of its loads, TVA had requested authority to begin construction of a new steam plant near Memphis, Tenn., to be known as the Fulton steam plant. This plant was to provide 450,000 kilowatts of capacity. In combination with the 2 new units in east Tennessee, an increase of $8\frac{1}{2}$ percent was to be provided in the capacity of the TVA power system. In view of the fact that the annual rate of increase in power use for the Nation is about 8 percent, and that many of the private utilities in the South are growing much more rapidly than that, it can hardly be said that the proposed capacity additions to the TVA system were generous. In spite of this the request for the Fulton plant has been refused.

What will be the result of this refusal? To those of you who are interested in the vital question of economy the answer will be both enlightening and shocking. The cost of constructing this 2-unit plant, capable of producing more than 3.5 billion kilowatt-hours per year, is estimated to be \$90 million. That is a fairly large sum. Yet, if this plant is refused, the excess cost of obtaining this power elsewhere—if, indeed, it could be obtained at all—could well amount to \$20 million to \$25 million in 1 year. To this must be added another \$5 million or more for transmission facilities which would be needed to bring this substitute power to supply west Tennessee and north Mississippi loads. The Tennessee Valley Authority is being asked to forego a plant which is sorely needed and yet it is being told to expend \$30 million in out-of-pocket expenses for 1 single year of refused capacity. The construction of the plant would result in a permanent addition to the generating capacity of the area, the region, and the Nation. The out-of-pocket expenditure for replacement power for 1 year alone would be equal to one-third the cost of the plant and yet at the end of the year there would be no new capacity to show for the money. That \$30 million could much better be used for repayment of invest-

ment in power facilities, instead of being a loss to the Treasury.

For those of you unfamiliar with the history of TVA's Johnsonville plant let me remind you that we have already had a good example of what will happen if the Fulton plant is delayed. The 80th Congress acted on bad advice and decided that the Johnsonville capacity was not needed. I participated in efforts to get that plant, made the closing argument in the House. If you provide funds to build the Johnsonville plant, we were told, the area served by TVA will not be able to use the power and TVA will expand into Missouri and Illinois and Arkansas and Ohio to sell its surplus capacity. We finally got the funds but initial appropriations for Johnsonville were delayed for less than a year. What happened? It very soon became clear that a serious temporary power shortage lay ahead. Industrial development of the region slowed down. Heavy costs were incurred for the use of the marginal power sources of all systems within reach of transmission lines. The Treasury bore the expense of overtime construction costs to recover as much as possible of the time that was lost. Is history to repeat itself? Is this Congress to make the same mistakes the 80th Congress made? If it does, the results will loom large in the minds of the people of the Southeast between now and the fall of 1956, which will be another year of power shortage for failure to start the Fulton plant.

To those of you who may feel that this is a cry of "Wolf," that the loads predicted are overly optimistic, let me point out that the long-range estimates TVA has laid before us in the past, in support of new capacity, have proved to be conservative. Were the estimates given us in support of the Johnsonville plant too high? Has TVA spread out into other regions, as predicted, to get rid of a surplus? No—to both questions, No. The fact is that the loads then predicted by TVA have long since been far exceeded. For 20 years the Congress has been told that TVA was creating a useless power surplus and what does the record show? The record shows that TVA has never provided one excess kilowatt of capacity.

We are in the position of providing financial encouragement, through tax-saving amortization, for the expansion of utility service to all the rest of the Southeast—nay, all the rest of the United States, while denying additional power to the people of the Tennessee Valley area including a large part of my State whom the Congress decided should be served directly by a Federal power system. We are seeking to reduce expenditures today while wasting money tomorrow. It will be wasted, for time will show, and very shortly, that this plant must be constructed. We should weigh the consequences of the mistakes we may make. Which would be worse? To make this investment a few months early, assuming that for once the prophecies of doom are correct? Or starting a year too late? An early investment would not be a wasted investment. Low-cost power from a most modern

plant is always too precious to be wasted. At the least, the power could save the use of older, less efficient capacity for the few months that we might assume would elapse before new loads required the power. On the other hand, a year's delay could mean wasting amounts of money equal in that 1 year to one-third of the total cost of the plant. With the risks so great, why should we delay? If we fail to make this appropriation, we are being neglectful of the economic well-being of the Federal Treasury and we are being oppressive to the 5 million people of the area.

Again I believe a utility should be permitted to grow to meet the needs of the area it serves. I believe in that principle for the private companies. I believe in that principle for the TVA for it is the utility of its area. I repeat it belongs to the United States. The TVA must return to the Treasury all cost of power development as dividends. It will still then belong to the Government. That being true, we should allow the TVA to put up power-generation facilities needed to supply its customers in its area.

Mr. THOMAS. Mr. Chairman, I yield myself 10 seconds.

Mr. Chairman, this winds up the requests for time on this side. I want to compliment the speakers on both sides of the aisle on their fine, intelligent, and interesting remarks. The House is to be congratulated on their high order in which this debate has been conducted. I know our chairman will get unanimous consent to give everybody an opportunity to revise and extend their remarks.

(Mr. JONES of Alabama asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. JONES of Alabama. Mr. Chairman, in reading the hearings, I find on page 222 two charts entitled "Information from Federal Power Commission and Defense Electric Power Administration re TVA Capabilities and Loads." Since the TVA officials were not present before the committee to examine these figures and since the hearings do not disclose any comment from them regarding these figures, I directed a letter to Mr. Gordon Clapp, Chairman of the TVA Board, about this matter. I am placing in the RECORD at this point the reply which I received from Mr. Clapp:

TENNESSEE VALLEY AUTHORITY,
Knoxville, Tenn., June 15, 1953.

HON. ROBERT E. JONES, JR.,
House of Representatives,
House Office Building,
Washington, D. C.

DEAR MR. JONES: Your request for comment on the statements concerning TVA's power estimates appearing on pages 222-223 of the House hearings on the second independent offices appropriation bill for 1954 was received after we had noted this material in the record and had reviewed the tables. We have already written letters to DEPA and the Federal Power Commission, quoted as sources by the committee, calling attention to errors in some of the figures and to misinterpretation of the data in other instances. Copies of those letters can be supplied, but in the meantime I am glad to summarize the situation for you.

Let me make clear at the outset that TVA's record in estimating the demand for new power capacity does not support the conclusions drawn in the statement incorporated in the hearings, nor the comments in the committee report. Far from overestimating the amount of capacity required to meet this region's power demands, TVA's long-range load forecasts have been consistently conservative. Forecasts of load growth which are the basis of requesting funds for capacity on the TVA system must be made almost 3 years in advance of the date when the capacity is to be required. While, like all utility systems TVA long-range estimates have tended to be too low, they have nevertheless been considerably more realistic than similar forecasts made by the utility industry generally.

For example, for 6 years the Edison Electric Institute has been making semiannual surveys of the future loads estimated by all the major power systems in the United States. A review of those surveys shows that short-term estimates have sometimes been high and sometimes low, but that in 12 of 13 semiannual surveys the longest-range estimates of total United States loads have had to be revised upward successively. Such underestimates have been made by equipment manufacturers as well as by operating utilities. Five years ago the Westinghouse Co. made an elaborate report projecting power use to 1957. The use of electricity the company forecast for 1957 is about the level that will be reached in 1953. An estimate made 3 years ago by the Electrical World as to use of electricity in 1955 will be exceeded this year.

The material inserted in the record of the committee hearings, however, attempts to discredit TVA's long-range forecasts, which, as I have said, have erred on the conservative side, by purporting to demonstrate that TVA's 1-year estimates of electricity use show a history of overestimating demands. It should be clearly understood that long-range and 1-year estimates are not made for the same purpose, and that they involve entirely different judgments. I need not take your time to analyze the different factors entering into long- and short-term load estimating now, however, because even judged by short-range forecasts the facts do not support the subcommittee's conclusion. It is not true that "in the 12 years from 1941 to 1952, inclusive, TVA has continuously overestimated its future power demand."

The records of the Federal Power Commission do not include TVA's 3- or 4-year forecasts, the forecasts upon which requests for capacity are based. However, for the past several years the monthly reports required by the Commission from all power systems have included 2-year forecasts. It is unfortunate that the staff of the Appropriations Committee did not make an analysis of these 2-year forecasts in addition to the 1-year estimates. Such an analysis would have shown that TVA had overestimated the demand in only 2 of the last 6 years and that in one of those cases the load was down because of a strike in the Alcoa Aluminum plant, a temporary condition having no relation to the necessity of having capacity available to meet the demands which the system would have faced under our existing contracts with Alcoa except for the strike.

But even if TVA's record of long-range and 2-year forecasts were not considered in appraising the record, the facts are that actual power demands have exceeded TVA's 1-year forecasts in at least as many years as the demand was less than TVA expected, and when there were short-range overestimates, the amount of the overestimates was much smaller than the subcommittee supposed. The error occurs in part because the subcommittee appears to have assumed

that the first column of figures in the table showed loads TVA expected to carry, the second column loads actually carried, and that the differences between the two columns can be attributed to errors in estimating. That is a misinterpretation of the meaning of the figures. The first column shows TVA's estimates, not of the load it expected to meet, but of the demand for power—that is, the load it would carry if sufficient power were available on a normal basis to meet the demand. The second column—the figures which the table compares with these estimates of demand—shows the load actually carried after curtailment of service to the consumers for whom power could not be supplied on a normal basis because of inadequacy of capacity.

In 1947, for example, FPC asked all power systems for a supplemental report, so that the amount of load curtailed would be a matter of record. The report, presumably available for examination at FPC, shows that TVA's supply to its consumers was curtailed by over 100 megawatts, more than enough to account for the difference that the subcommittee assumed was an error in estimating. In every year but one since 1947, curtailments of supply have been greater than they were in that year. This record does not support the subcommittee's conclusion that power requirements were overestimated. Repeated necessity for curtailing service means that capacity is inadequate, not the contrary.

There are other errors in interpretation of the figures. For example, the estimates made by TVA were, as requested, estimates of the demand to be expected in the month of highest demand. The loads reported, however, are the loads carried in December. December is not invariably the month of highest electricity use. In 1945, for example, TVA's predicted peak demand was reported to FPC as being expected to occur in June, and in June TVA's estimate was actually exceeded. But the load reported in the table is not the June use of electricity. It is the year end, postwar load in December.

There are additional errors in the table. The figure shown as TVA's estimate for 1941 was not TVA's estimate for 1941. FPC's records will show that the figure used in the table is several hundred megawatts higher than TVA's actual estimate. This was another year in which it will be found, if the correct figures are used, that the demand exceeded TVA's estimate.

I believe it is clear that whether long-range, 2-year, or 1-year estimates are used to judge, there is no basis for the statement that TVA has consistently overestimated the demand.

In addition to material inserted in an effort to discredit TVA's past forecasts of load growth, the statement in the hearings also includes current estimates of TVA's loads in future years—estimates both by TVA and by the Defense Electric Power Administration. The latter's estimates were used as a basis for an opinion that considerably less generating capacity is needed than TVA had proposed. The comparative estimates for this year and 3 succeeding years are as follows:

Year	Estimated loads, megawatts	
	DEPA	TVA
1953.....	5,452	5,450
1954.....	7,406	7,900
1955.....	8,194	8,900
1956.....	8,654	9,600

Starting with essentially the same anticipated load for this year, the DEPA estimate is nearly a million kilowatts lower than the TVA estimate for 1956. DEPA, as a defense agency, should be expected to be making a

forecast which, giving due regard to national defense, would insure the provision of adequate capacity to meet such power demands as might develop. However, an examination of figures shows that the DEPA estimate cannot be supported as being on such a basis. We do not know what qualifications DEPA placed on its figures or, with certainty, who in DEPA prepared the figures. Nearly the entire staff has been disbanded because the agency is being eliminated on June 30. However, we have written a letter to DEPA, copy of which is attached, asking for an explanation of the figures.

DEPA's figures, if accepted at face value, would assume a load growth of 3,202 mw over the next 3 years. TVA estimates a growth of 4,150 mw. Both must include load increases at the Oak Ridge and Paducah atomic energy plants of nearly 1,700 mw already scheduled for 1954 and 1955. The remainder of the anticipated increases is discussed below.

TVA assumes an increase averaging about 14 percent per year in the loads of the more than 1,250,000 consumers served by municipal and cooperative distribution systems. This rate of increase is a little less than the average experienced during the dozen years in which the systems have been in operation.

TVA's estimates allow for a possible increase in Federal loads of only 350 mw, in addition to the presently scheduled expansion in power demands of the atomic energy installations. This allowance would be used up by a further increase of about 10 percent, or 3 percent per year from now until 1956, of the presently scheduled 1956 demands of the atomic energy plants and other Federal loads in this area. We have already had inquiries as to the availability of some of this power.

The TVA estimates allow for an increase of 600 mw in large industrial loads over the next 3 years. Approximately one-third of this increase is already under contract and tentative commitments have been made for most of the remainder.

As you could judge from the foregoing paragraphs, we are unwilling to rely upon and are unable to explain a DEPA estimate for 1956 which is lower by any amount, let alone a million kilowatts, than TVA's estimates. Further evidence of the probable inadequacy of DEPA's estimates is the fact that they assume an increase from 1955 to 1956 of 5.6 percent, whereas the average rate of increase for the United States for a good many years has been 8 percent, and there is every reason to suppose that load growth in this area will continue to be more rapid than the United States average. We have carefully reviewed our estimates of 1956 loads in recent weeks and see no basis for reducing the estimates of demand which should be planned for at that time.

If we can provide any additional information, we will be happy to do so.

Sincerely yours,

GORDON R. CLAPP,
Chairman of the Board.

Mr. PHILLIPS. Mr. Chairman, I yield myself such time as I may require.

Mr. Chairman, I concur in the statement by the gentleman from Texas. This has been a very interesting debate. The committee appreciates the attitude of all Members.

Mr. Chairman, I ask unanimous consent that all Members of the House, both those who have spoken and those that have not spoken this afternoon, may have permission to revise and extend their remarks on this bill.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. PHILLIPS. Mr. Chairman, I now yield what I believe will be the last 5 minutes of the debate to the gentleman from Massachusetts [Mr. NICHOLSON].

Mr. NICHOLSON. Mr. Chairman, I dislike to take these few minutes at the conclusion of the general debate on this bill, but I listened with a great deal of attention to the gentleman from Iowa on this power question and the TVA. I do not want to get in any trouble with Members who come from the TVA area, but I call attention to one thing, the same thing the gentleman from Iowa told you, that there is a limit to everything. In this bill today we are providing for extension of the TVA. As I understand, we are giving two more units for steam power to produce electricity in these several States.

I would like to call your attention to the fact, Mr. Chairman, about rural electrification, which enters into it too. My State is more or less of a rural State and so is New Hampshire, which the gentleman said was the most beautiful State in New England. If he thinks so, he must just run through the State of Massachusetts and does not know Massachusetts from one end to the other. If he did, he would realize that and he might qualify his statement a little bit. But that has nothing to do with this question of public power or private power. In Massachusetts, we, as I said, are a rural State and 98 percent of it has rural electrification. It was put there by the farmers themselves who were willing to pay the private utilities to bring it in and we did not ask any other State in the Union to give us any power. We have had plenty of power, Mr. Chairman, since 1620 and we want to use that power doing things as we want to do them. I wonder how the gentleman from Tennessee would feel about the Committee on Rules passing a rule that you could not move this stuff down in Alabama and into Muscle Shoals. It is not the fault of the Committee on Rules, as the gentleman from Alabama said. It is the fault, if there is any fault, of the committee that has studied it so thoroughly and asked for that kind of a rule. I think it is the duty of the Committee on Rules to follow these committees that know much more about it than we do.

The gentleman from Alabama says that they pay for dredging up in Boston Harbor. Maybe they paid for it in Boston Harbor, but they do not pay for it in my district and I have more seashore, I think, than any Representative in the Congress. And we are not coming here and asking for money either. I guess the thing for us to do is to dredge our own harbors and keep the Federal Government out of it.

The gentleman from Mississippi was just talking about this great power. This great power is a baby that we made, and it was a billion-dollar baby. It will never be paid for by the people of the Tennessee Valley, but it will be paid for by the whole United States. It is about time we stopped it.

Mr. PRIEST. Mr. Chairman, will the gentleman yield?

Mr. NICHOLSON. I yield.

Mr. PRIEST. I can appreciate naturally the position the gentleman is taking. I certainly give him full credit for his viewpoint and his opinions, as I do with every Member of the House, whether they agree with me or not. The gentleman mentioned the question just a moment ago of public and private power. I asked the gentleman to yield to me to ask him this question, and that is whether or not so far as the Tennessee Valley area of 80,000 square miles is concerned, was that question not settled by the Congress in 1939? At that time the Congress approved by the request of Mr. Wendell Willkie, and I reread his testimony a day or two ago before the old Committee on Military Affairs, the Congress as I say approved the sale of the assets of the Commonwealth & Southern Co. to the TVA. Mr. Lillienthal and Mr. Willkie had come to an agreement which they said was satisfactory to all concerned. Mr. Willkie said on that occasion among other things that there was not room in that area for two competing utilities, and since the TVA has the responsibility of flood control and navigation as well, he thought it advisable that Commonwealth & Southern retire from the field. Congress approved it. That was settled and the TVA became the utility of that area by congressional direction. That is the point I want to make. If we are going to argue that point then we would have to go back, I think, to 1939.

Mr. JONAS of North Carolina. Mr. Chairman, will the gentleman yield so that I may ask the gentleman from Tennessee a question?

Mr. NICHOLSON. I yield.

Mr. JONAS of North Carolina. We have been talking about the Tennessee Valley area and you have cited Mr. Willkie's testimony when he said that there was not room in the Tennessee Valley for Commonwealth & Southern and the TVA together. The gentleman from Mississippi commented about an alleged obligation on the part of the Federal Government since we had created this monopoly, so to speak, to continue to provide funds for the expansion of TVA. You gentlemen are forgetting the fact that in this bill we are not undertaking to deny TVA normal operating funds. The bill provides \$188 million for TVA. The only thing we are denying is the right to start a new, a completely new, steam plant on the Mississippi River which is about 100 miles from the Tennessee River, and not on any tributary of the Tennessee River. My position is that the site of the Fulton plant is not a part of the Tennessee Valley area that you gentlemen have been talking about this afternoon.

Mr. NICHOLSON. In 1939, we were on the verge of this World War; and, as I understand it, Wendell Willkie was an attorney for this power company and got a very substantial fee for being their lawyer, to arrive at some kind of an understanding between the TVA and the public utility. If I am wrong, I should like to have someone tell me that I am wrong. But it goes away beyond that.

Mr. PRIEST. Mr. Chairman, will the gentleman yield?

Mr. NICHOLSON. I yield to the gentleman from Tennessee.

Mr. PRIEST. I want the record to be clear on the point; I believe it should be clear. Mr. Wendell Willkie was president of the Commonwealth & Southern, not just an attorney representing them, but president of the company at the time.

Mr. NICHOLSON. I cannot understand, Mr. Chairman, the president of a company giving up all his rights to do business in any valley or any city or town in this whole United States.

Mr. PRIEST. May I say to the gentleman further on that point—I did not get to bring it to the attention of the House because of the time limitation, but in an extension of my own remarks today I have quoted some of Mr. Willkie's testimony; and also a report from the committee at the time which I believe clearly indicates what Congress intended, and that Congress thoroughly understood what they were doing at the time.

Mr. NICHOLSON. We ought to begin to realize that if we made a mistake in 1939 it is about time that we started rectifying it. In this program now, there are two more units, in this steam-plant business, and next year they intend to put in some more.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. PHILLIPS. I yield 6 minutes to the gentleman from North Carolina [Mr. JONAS].

Mr. JONAS of North Carolina. I yield to the gentleman from Mississippi [Mr. WHITTEN].

Mr. WHITTEN. The gentleman made a statement a while ago as to what the committee had done here, and I think his statement is a fair one. I would like to say, however, that when the gentleman says that the plant is that far distant from the central part of the valley, that, too, is correct. But it is within the geographical area that is now served by the TVA; but in the handling of the power there is a tremendous loss of power in moving it from the central area to an area a long distance from it. So I presume, just as in the case of any other utility, that the TVA will serve all the territory within its geographical area that it can out of its total power. But if that be true, then the committee is approving a waste in power by sending it long distances to that region which is in the area served by it; is that correct?

Mr. JONAS of North Carolina. No; we are not. What we are trying to do is to tell TVA that they may have all of the installations that they need to supply the power requirements of what ought to be considered and recognized as the natural TVA area. But they should not go 100 miles beyond the Tennessee River, to the banks of the Mississippi River, and thereby take in more territory, because when they are firmly established there, then they will want to go transmission distance beyond that, and there never will be any end to it.

Mr. WHITTEN. That is the point I wish to make. The water is over the dam, so to speak, because they have

already gone into that area. It is already in the region that is being served by it.

Mr. JONAS of North Carolina. No; the water is not over the dam, if the gentleman will permit me to interrupt. They are in here now asking for the money to begin the plant on the Mississippi. They are asking for \$90 million, \$30 million of which they want this year, to build a completely new plant a hundred miles beyond what I consider the Tennessee Valley area.

Mr. WHITTEN. That is right, but it is to serve a geographical area that is now being served and which must look to TVA alone to meet its need. There is not one bit of territorial expansion included in the request, not a dime in this bill.

Mr. JONAS of North Carolina. May I interrupt the gentleman to say that there is no power shortage there? Does the gentleman understand that there was testimony before our committee that private utilities are now sending power into Memphis and selling it to TVA? They have connections with the TVA system at Memphis right now; and the testimony before the committee was that these private utilities are not only willing but financially able to supply TVA with all the power they need in the Memphis area.

Mr. WHITTEN. I think the gentleman is—I know he is utterly sincere, but the folks who testified come from my immediate area, and there were a whole lot of qualifications connected with it: If they could get the right kind of contract; if they could finance it, and many other ifs.

Mr. JONAS of North Carolina. The gentleman apparently is not aware of the fact that subsequent to that testimony they offered a written contract to TVA to supply TVA all the power requirements they need in the foreseeable future in the Memphis area.

Mr. EVINS. Mr. Chairman, will the gentleman yield?

Mr. JONAS of North Carolina. I yield.

Mr. EVINS. The fact that TVA has been purchasing power from the Mississippi Power & Light Co. substantiates and corroborates their evidence and testimony that there is a shortage of power in the area and that they need an additional power supply.

Mr. JONAS of North Carolina. My view is simply that Memphis, Tenn., should never have been considered as being in the TVA area.

Mr. WHITTEN. I can understand the gentleman's belief in that, but I say, unfortunately, from his viewpoint, he was not here when the subject originally came up, but I do not agree with him. It has become the power supplier of the section and there is no request here for any territorial expansion of TVA; there is just a request to let them expand their plant to meet the needs.

Mr. JONAS of North Carolina. On the contrary, there are plans for a plant 100 miles west of the Tennessee River. I display to the gentleman a page of the National Tennessean in color. The publisher of the paper sent this to me

and I am going to use it in the debate tomorrow. You will observe if you look at this map that whereas there has never been a TVA dam or steam plant west of the Tennessee River, now they plan the construction of a plant a hundred miles beyond the Tennessee River, which will have an ultimate cost of \$90 million.

Mr. WHITTEN. As I understand, that area is under distribution in the TVA now. The only question is whether you are going to transfer the power from elsewhere or allow TVA the right to expand to meet the needs of the area it now serves.

Mr. JONES of Alabama. Mr. Chairman, will the gentleman yield?

Mr. JONAS of North Carolina. I yield.

Mr. JONES of Alabama. Did I understand the gentleman from Alabama to say that the power company had submitted a proposal subsequent to the one they proposed in the committee?

Mr. JONAS of North Carolina. Correct, a proposal in writing; and they sent our committee a copy of it.

Mr. JONES of Alabama. Has that proposal been made public by the committee?

Mr. JONAS of North Carolina. It was only received yesterday. It has not been published because the committee report had already been published before the copy of the proposal letter was received by the subcommittee.

Mr. JONES of Alabama. One further inquiry before we leave the subject—

Mr. JONAS of North Carolina. It was sent to our subcommittee because the TVA officials had sent to the committee their answer to the original proposal which indicated dissatisfaction with it.

Mr. JONES of Alabama. Has TVA had an opportunity to answer the latest proposal of the Mississippi Power & Light Co.?

Mr. JONAS of North Carolina. I do not know. All the subcommittee received was a copy of a letter proposal, dated June 12, 1953, sent to TVA by the private utility company offering a contract to furnish power in the Memphis area.

Mr. NEAL. Mr. Chairman, I have been listening all day long to the debate, pro and con, respecting appropriation of funds for TVA.

The issue: Government ownership and operation versus private enterprise.

The conclusions: If TVA paid its share of taxes to local, State, and Federal Government, plus interest on investment, it would be compelled to charge approximately the same rate for power to its consumers as the prevailing rates charged by privately operated power companies.

The facts? Taxes imposed on the Nation as a whole are diverted for the creation and maintenance of regional facilities to produce and distribute public power at preferential rates, thus favoring local areas of population at the expense of the rest of the Nation. The savings of private citizens—for the most part, little people whose investments make up the bulk of capital for private industry—are forced to accept limited dividends because forced competition

by federally produced power, subsidized by tax money, reduces earnings of private companies to a very minimum.

Why this perennial argument and why prolong a controversy that becomes more untenable with each passing year?

Proponents of TVA declare there is nothing socialistic in the conduct of TVA. Yet each year they must ask for more and more money to create new facilities to serve more people with power at preferential rates. What else can we call it?

Surely no one will deny that it favors extension of Government ownership; and Americans know how Government ownership has failed in all history. Shall we continue to follow blindly the path upon which European nations have been wrecked, just to satisfy minorities who clamor for special favors? Shall we continue to stifle individual investors whose contributions to private enterprise have made the United States of America the Nation that it is?

If we approach this subject with reason we can find a way out—a way that recognizes two cardinal principles, both working to the advantage of private investors willing to risk capital and, at the same time make a commitment to federalize some projects too big to be undertaken by investment capital. No one disputes the Federal Government's obligation to promote navigational projects and to take advantage of power potential and water uses that can be created in connection therewith. Based on reasonable local contributions, such projects could be made to serve innumerable areas throughout the Nation. But these projects should be limited to the full use, locally, of each such project's potential power, leaving the production of any additional power required to serve the needs of development in the area to be financed and created by private industry.

This plan, in limiting Federal Government activities and at the same time encouraging private capital investments, in order to assure proper safeguards and be workable, must be based on the following considerations:

First. Rates must be equalized and regulated by constituted authority.

Second. Government investment should pay prevailing interest charges and local, State, and Federal taxes.

Third. Government and privately financed producers of power should be required to furnish adequate facilities for interchange of power to meet adequately the shifting area demands.

Fourth. Profits on Government operations should be returned to the United States Treasury to amortize the original costs of the development.

Fifth. Profits earned by private enterprise should be so regulated as to provide capital reserves after returning normal dividends.

A long-range national plan, based on the recognized principle that there is abundant opportunity for future development of hydroelectric power and co-operative effort of private enterprise, would forever set a pattern to limit Government's invasion of the power industry, Government's encroachment on

private capital, and free the Congress from having each year to fight the battles between public and private power interests.

The CHAIRMAN. The time of the gentleman from North Carolina has expired. All time for general debate has expired. The Clerk will read.

The Clerk read down to and including page 2, line 2.

Mr. PHILLIPS. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. BETTS, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill H. R. 5690, second independent offices appropriation bill 1954, had come to no resolution thereon.

EXTENSION OF REMARKS

Mr. PHILLIPS. Mr. Speaker, in the Committee of the Whole I asked and secured consent that all Members may have permission to revise and extend their remarks. In the House I now ask unanimous consent that all Members may have permission to include statistics or extraneous material in those remarks.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

CONFERENCE REPORT

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent that the conferees on the part of the House may have until midnight tonight to file a conference report on the bill S. 1081.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The conference report and statement follows:

CONFERENCE REPORT (H. REPT. No. 571)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1081) to provide authority for temporary economic controls, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the House amendment insert the following:

"TITLE I

"SECTION 1. This title may be cited as the 'Defense Production Act Amendments of 1953.'

"SEC. 2. Section 2 of the Defense Production Act of 1950, as amended, is amended to read as follows:

"DECLARATION OF POLICY

"SEC. 2. In view of the present international situation and in order to provide for the national defense and national security our mobilization effort continues to require some diversion of certain materials and facilities from civilian use to military and related purposes. It also requires expansion

of productive facilities beyond the levels needed to meet the civilian demand.'

"SEC. 3. Section 101 of the Defense Production Act of 1950, as amended, is amended to read as follows:

"SEC. 101. (a) The President is hereby authorized (1) to require that performance under contracts or orders (other than contracts of employment) which he deems necessary or appropriate to promote the national defense shall take priority over performance under any other contract or order, and, for the purpose of assuring such priority, to require acceptance and performance of such contracts or orders in preference to other contracts or orders by any person he finds to be capable of their performance, and (2) to allocate materials and facilities in such manner, upon such conditions, and to such extent as he shall deem necessary or appropriate to promote the national defense.

"(b) The powers granted in this section shall not be used to control the general distribution of any material in the civilian market unless the President finds (1) that such material is a scarce and critical material essential to the national defense, and (2) that the requirements of the national defense for such material cannot otherwise be met without creating a significant dislocation of the normal distribution of such material in the civilian market to such a degree as to create appreciable hardship.'

"SEC. 4. Subsection (a) of section 301 of the Defense Production Act of 1950, as amended, is amended by striking out, 'or in connection with or in contemplation of the termination,' and by inserting before the period at the end thereof a comma and the following: 'or for the purpose of financing any contractor, subcontractor, or other person in connection with or in contemplation of the termination, in the interest of the United States, of any contract made for the national defense; but no small-business concern (as defined in section 203 of the Small Business Act of 1953) shall be held ineligible for the issuance of such a guaranty by reason of alternative sources of supply.'

"SEC. 5. Subsection (b) of section 303 of the Defense Production Act of 1950, as amended, is amended by striking out '1962' and inserting in lieu thereof '1963'.

"SEC. 6. Section 303 of the Defense Production Act of 1950, as amended, is amended by adding at the end thereof a new subsection as follows:

"(f) Notwithstanding any other provision of law to the contrary, metals, minerals, and materials acquired pursuant to the provisions of this section which, in the judgment of the President, are excess to the needs of programs under this Act, shall be transferred to the national stockpile established pursuant to the Act of June 7, 1939, as amended (50 U. S. C. 98-98h), when the President deems such action to be in the public interest.

"Transfers made pursuant to this subsection shall be made without charge against or reimbursement from funds available under such Act of June 7, 1939, as amended, except that costs incident to such transfer other than acquisition costs shall be paid or reimbursed from such funds, and the acquisition costs of such metals, minerals, and materials transferred shall be deemed to be net losses incurred by the transferring agency and the notes payable issued to the Secretary of the Treasury representing the amounts thereof shall be canceled. Upon the cancellation of any such notes the aggregate amount of borrowing which may be outstanding at any one time under section 304 (b) of this Act, as amended, shall be reduced in an amount equal to the amount of any notes so canceled.'

"SEC. 7. Subsection (c) of section 701 of the Defense Production Act of 1950, as amended, is amended to read as follows:

"(c) Whenever the President invokes the powers given him in this Act to allocate any material in the civilian market, he shall do so in such a manner as to make available, so far as practicable, for business and various segments thereof in the normal channel of distribution of such material, a fair share of the available civilian supply based, so far as practicable, on the share received by such business under normal conditions during a representative period following June 30, 1953: *Provided, however*, That the President shall from time to time give effect to the then current competitive position of established businesses measured over a reasonable period of time, except as the same may result from Government controls under this or any other Act: *Provided further*, That the limitations and restrictions imposed on the production of specific items shall not exclude new concerns and newly acquired operations from a fair and reasonable share of total authorized production, and shall give due consideration to the needs of new concerns and newly acquired operations: *Provided further*, That if the President continues or reimposes allocation controls after June 30, 1953, in the civilian market of any materials subject to such controls on July 1, 1953, he shall do so in the manner above provided but on the basis of the share received by such business during a representative period preceding June 24, 1950, adjusted to reflect, since such date, attained competitive position, the requirements of new concerns and newly acquired operations.'

"SEC. 8. Section 702 (d) of the Defense Production Act of 1950, as amended, is amended to read as follows:

"(d) The term "national defense" means programs for military and atomic energy production or construction, military assistance to any foreign nation, stockpiling, and directly related activity.'

"SEC. 9. Subsection (e) of section 705 of the Defense Production Act of 1950, as amended, is hereby amended by adding at the end thereof the following paragraph:

"All information obtained by the Office of Price Stabilization under this section 705, as amended, and not made public prior to April 30, 1953, shall be deemed confidential and shall not be published or disclosed, either to the public or to another Federal agency except the Congress or any duly authorized committee thereof, and except the Department of Justice for such use as it may deem necessary in the performance of its functions, unless the President determines that the withholding thereof is contrary to the interest of the national defense, and any person willfully violating this provision shall, upon conviction, be fined not more than \$10,000 or imprisoned for not more than one year, or both.'

"SEC. 10. Subsection (a) of section 717 of the Defense Production Act of 1950, as amended, is amended to read as follows:

"(a) Title I (except section 104), title III, and title VII (except section 714) of this Act, and all authority conferred thereunder, shall terminate at the close of June 30, 1955. Section 104, title II, title VI, and section 714 of this Act, and all authority conferred thereunder, shall terminate at the close of June 30, 1953. Titles IV and V of this Act, and all authority conferred thereunder, shall terminate at the close of April 30, 1953.'

"SEC. 11. Subsection (c) of section 717 of the Defense Production Act of 1950, as amended, is amended by adding before the period at the end thereof a comma and the following: 'or the taking of any action (including the making of new guarantees) deemed by a guaranteeing agency to be necessary to accomplish the orderly liquidation, adjustment or settlement of any loans guaranteed under this Act, including actions deemed necessary to avoid undue hardship to borrowers in reconverting to normal civilian production; and all of the authority

granted to the President, guaranteeing agencies, and fiscal agents, under section 301 of this Act shall be applicable to actions taken pursuant to the authority contained in this subsection'.

"TITLE II

"SEC. 201. This title may be cited as the 'Small Business Act of 1953'.

"SEC. 202. The essence of the American economic system of private enterprise is free competition. Only through full and free competition can free markets, free entry into business, and opportunities for the expression and growth of personal initiative and individual judgment be assured. The preservation and expansion of such competition is basic not only to the economic well-being but to the security of this Nation. Such security and well-being cannot be realized unless the actual and potential of small business is encouraged and developed. It is the declared policy of the Congress that the Government should aid, counsel, assist, and protect insofar as is possible the interests of small-business concerns in order to preserve free competitive enterprise, to insure that a fair proportion of the total purchases and contracts for supplies and services for the Government be placed with small-business enterprises, and to maintain and strengthen the overall economy of the Nation.

"SEC. 203. For the purposes of this title, a small-business concern shall be deemed to be one which is independently owned and operated and which is not dominant in its field of operation. In addition to the foregoing criteria the Administration, in making a detailed definition, may use these criteria, among others: Number of employees and dollar volume of business.

"SEC. 204. (a) In order to carry out this policy there is hereby created an agency under the name "Small Business Administration" (herein referred to as the Administration), which Administration shall be under the general direction and supervision of the President and shall not be affiliated with or be within any other agency or department of the Federal Government. The principal office of the Administration shall be located in the District of Columbia, but the Administration may establish such branch offices in other places in the United States as may be determined by the Administrator of the Administration.

"(b) The Administration is authorized to obtain money from the Treasury of the United States for use in the performance of the powers and duties granted to or imposed upon it by law, not to exceed a total of \$250,000,000 outstanding at any one time. For this purpose appropriations not to exceed \$250,000,000 are hereby authorized to be made to a revolving fund in the Treasury. Advances shall be made to the Administration from the revolving fund when requested by the Administration. This revolving fund shall be used for the purposes enumerated subsequently in sections 207 (a), (b), and (c). Not to exceed an aggregate of \$150,000,000 shall be outstanding at any one time for the purposes enumerated in section 207 (a). Not to exceed an aggregate of \$100,000,000 shall be outstanding at any one time for the purposes enumerated in sections 207 (b) and (c).

"(c) The management of the Administration shall be vested in an Administrator who shall be appointed from civilian life by the President, by and with the consent of the Senate, and who shall be a person of outstanding qualifications known to be familiar and sympathetic with small-business needs and problems. The Administrator shall receive compensation at the rate of \$17,500 per annum. The Administrator shall not engage in any other business, vocation, or employment than that of serving as Administrator. The Administrator is authorized to appoint three deputy administrators to assist in the execution of the functions vest-

ed in the Administration. Deputy administrators shall be paid at the rate of \$15,000 per annum.

"(d) There is hereby created the Small Business Advisory Board of the Small Business Administration, which shall consist of the following members, all ex officio: The Secretary of the Treasury, as Chairman, the Secretary of Commerce, and the Administrator. Either of the said Secretaries may designate an officer of his Department, who has been appointed by the President by and with the advice and consent of the Senate, to act in his stead as a member of the Small Business Advisory Board with respect to any matter or matters. The Small Business Advisory Board shall establish general policies which shall govern the Administration in carrying out the powers, duties, and authority conferred upon it by this title. Such general policies shall, among other things, provide the standards (1) for the granting and denial of financial assistance by the Administration, and (2) for the exercise of the powers enumerated in sections 207 (b) and (c). It shall also be the duty of the Small Business Advisory Board to periodically review the operations of the Administration and coordinate its functions with other activities and policies of the Government.

"SEC. 205. (a) The Administration shall have power to adopt, alter, and use a seal, which shall be judicially noticed. The Administrator is authorized, subject to the civil service and classification laws, to select, employ, appoint, and fix the compensation of such officers, employees, attorneys, and agents as shall be necessary to carry out the provisions of this title; to define their authority and duties, require bonds of them, and fix the penalties thereof. The Administration, with the consent of any board, commission, independent establishment, or executive department of the Government, may avail itself of the use of information, services, facilities, including any field service thereof, officers, and employees thereof, in carrying out the provisions of this title.

"(b) In the performance of, and with respect to, the functions, powers, and duties vested in him by this title, the Administrator, notwithstanding the provisions of any other law, may—

"(1) sue and be sued in any court of record of a State having general jurisdiction, or in any United States district court, and jurisdiction is conferred upon such district court to determine such controversies without regard to the amount in controversy: *Provided*, That no attachment, injunction, garnishment, or other similar process, mesne or final, shall be issued against the Administrator or his property;

"(2) under regulations prescribed by him, assign or sell at public or private sale, or otherwise dispose of for cash or credit, in his discretion and upon such terms and conditions and for such consideration as the Administrator shall determine to be reasonable, any evidence of debt, contract, claim, personal property, or security assigned to or held by him in connection with the payment of loans granted under this title, and to collect or compromise all obligations assigned to or held by him and all legal or equitable rights accruing to him in connection with the payment of such loans until such time as such obligation may be referred to the Attorney General for suit or collection;

"(3) deal with, complete, renovate, improve, modernize, insure, or rent, or sell for cash or credit upon such terms and conditions, and for such consideration as the Administrator shall determine to be reasonable, any real property conveyed to or otherwise acquired by him in connection with the payment of loans granted under this title;

"(4) pursue to final collection, by way of compromise or otherwise, all claims against third parties assigned to the Administrator

in connection with loans made by him. This shall include authority to obtain deficiency judgments or otherwise in the case of mortgages assigned to the Administrator. Section 3709 of the Revised Statutes, as amended (41 U. S. C. 5), shall not be construed to apply to any contract of hazard insurance or to any purchase or contract for services or supplies on account of property obtained by the Administrator as a result of loans made under this title if the premium therefor or the amount thereof does not exceed \$1,000.—The power to convey and to execute in the name of the Administrator deeds of conveyance, deeds of release, assignments and satisfactions of mortgages, and any other written instrument relating to real property or any interest therein acquired by the Administrator pursuant to the provisions of this title may be exercised by the Administrator or by any officer or agent appointed by him without the execution of any express delegation of power or power of attorney. Nothing in this section shall be construed to prevent the Administrator from delegating such power by order or by power of attorney, in his discretion, to any officer or agent he may appoint;

"(5) acquire, in any lawful manner, any property (real, personal, or mixed, tangible or intangible), whenever deemed necessary or appropriate to the conduct of the activities authorized in section 207 (a) of this title; and

"(6) in addition to any powers, functions, privileges, and immunities otherwise vested in him, take any and all actions determined by him to be necessary or desirable in making, servicing, compromising, modifying, liquidating, or otherwise dealing with or realizing on loans or advances made under the provisions of this title.

"(c) To such extent as he finds necessary to carry out the provisions of this title, the Administrator is hereby authorized to procure the temporary (not in excess of one year) service of experts or consultants or organizations thereof, including stenographic reporting services, by contract or appointment, and in such cases such service shall be without regard to the civil service and classification laws, and, except in the case of stenographic reporting services by organizations, without regard to section 3709, Revised Statutes, as amended (41 U. S. C. 5).

"SEC. 206. All moneys of the Administration not otherwise employed may be deposited with the Treasurer of the United States subject to check by authority of the Administration. The Federal Reserve banks are authorized and directed to act as depositaries, custodians, and fiscal agents for the Administration in the general performance of its powers conferred by this title. Any banks insured by the Federal Deposit Insurance Corporation when designated by the Secretary of the Treasury, shall act as custodians, and financial agents for the Administration.

"SEC. 207. The Administration is empowered—

"(a) to make loans or advances to enable small business concerns to finance plant construction, conversion, or expansion, including the acquisition of land; or to finance the acquisition of equipment, facilities, machinery, supplies, or materials; or to supply such concerns with working capital to be used in the manufacture of articles, equipment, supplies, or materials for war, defense, or essential civilian production or as may be necessary to ensure a well-balanced national economy; and such loans or advances may be made or effected either directly or in cooperation with banks or other lending institutions through agreements to participate on an immediate or deferred basis: *Provided, however*, That the foregoing powers shall be subject to the following restrictions and limitations:

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued June 18, 1953
For actions of June 17, 1953
83rd-1st, No. 110

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HIGHLIGHTS: House debated 2nd independent offices appropriation bill. House Rules Committee cleared wheat-for-Pakistan and mutual security bills. House agreed to conference report on economic controls bill. Senate committee ordered reported Interior appropriation bill.

HOUSE

1. FOREIGN AID. The Rules Committee reported a resolution providing for the consideration of H.R. 5659, to provide for the transfer of price-support wheat to Pakistan. This bill directs the Commodity Credit Corporation to make available to the President up to 1 million long tons of wheat (approximately 37 million bushels) to be transferred to the Government of Pakistan in order to alleviate starvation and famine conditions in Pakistan and to provide that country with some reserve supply of this important food grain. The wheat will come from stocks of the Commodity Credit Corporation acquired pursuant to price-support operations. The bill provides that no wheat shall be transferred to Pakistan until the United States and Pakistan have entered into an agreement as to its use and distribution. This agreement is to include the following provisions:

(1) Distribution of the wheat without discrimination among the people of Pakistan and without cost to those who, through no fault of their own are unable to purchase it; (2) full publicity to the assistance furnished by the people of the United States; (3) unrestricted observation of the distribution procedure by United States observers; (4) utilization of any local currency derived by Pakistan from the sale of donated wheat; in a manner agreed upon by the United States and the Government of Pakistan, for programs to increase food production in Pakistan and other projects of mutual interest to the two countries; (5) allocation of 5 percent of the local currency received for the use of the United States within Pakistan; and (6) the taking of all appropriate measures to reduce and prevent further relief needs. The bill also authorizes an appropriation for the purpose of making payment to the Commodity Credit Corporation for the wheat made available to Pakistan. The Corporation, however, is authorized to make the wheat available in advance of receiving payment therefor.

The Rules Committee reported a resolution providing for the consideration of H.R. 5710; the Mutual Security Agency authorization bill (p. 6963).

2. APPROPRIATIONS. Concluded debate on H.R. 5690, 2nd independent offices appropriation bill for 1954; but deferred final action until today, June 18 (pp. 6909-62).

Rejected the following amendments:

By Rep. Cooper, by 83-154, to increase funds by \$30 million for construction of a steam plant at the Fulton site, Tenn. (pp. 6914-26).

By Rep. Andrews, by 33-114, to delete language preventing the moving of TVA headquarters to Muscle Shoals, Alabama (pp. 6926-30).

By Rep. Jones (Alabama), by 46-101, to increase TVA funds by \$2,377,000 for resource development (pp. 6931-2).

The Appropriations Committee reported H.R. 5805, the legislative-judicial appropriation bill for 1954; and the Rules Committee reported a resolution for its consideration (H. Rept. 598) (p. 6971).

3. ECONOMIC CONTROLS. Agreed to the conference report on S. 1081, providing for temporary economic controls (pp. 6907-8). For provisions of the conference report see Digest 109.

4. RUBBER. The Armed Services Committee reported with amendment H.R. 5728, to authorize disposal of Government owned rubber-producing facilities (H. Rept. 593) (p. 6971).

5. WAR POWERS. Passed without amendment H.R. 2557, to extend title 2 of the First War Powers Act (contract authority of the President) through June 30, 1954 (pp. 6969-70).

SENATE

6. APPROPRIATIONS. The Appropriations Committee ordered reported (but did not actually report) with amendments H.R. 4828, Interior appropriation bill for 1954. The "Daily Digest" states: "As approved, the bill would provide for a total of \$451,256,940, an increase of \$45,126,597 over the House-passed figure of \$406,130,343." (p. D569.)

The Appropriations Subcommittee ordered reported to the full committee with amendments H.R. 5376, Army civil functions appropriation bill for 1954 (p. D569).

7. CONTRACTS. The "Daily Digest" states that the Government Operations Committee ordered reported as a committee amendment, an amendment to S. 690, to amend the Federal Property and Administrative Services of 1949 relating to lease-purchase agreements. "This amendment would provide for submission of lease-purchase agreements to the President of the Senate and Speaker of the House for reference to appropriate committees." (p. D570.)

ITEMS IN APPENDIX

8. FOREIGN TRADE. Extension of remarks by Rep. Sieminski discussing how high a tariff should be (p. A3720).

Extension of remarks by Rep. Felly in favor of H.R. 5495, to extend the reciprocal trade agreements authority for 1 year (pp. A3728-29).

9. CATTLE INDUSTRY. Extension of remarks by Rep. Rogers (Tex.) stating that the small rancher and cattle farmer is in danger of "bankruptcy and annihilation" from falling cattle prices and an unprecedented draught, and inserting a petition on this subject (pp. A3720-21).

should make it clear to timid and blind statesmanship of the non-Communist world that President Eisenhower was right when, last August, before the American Legion Convention, he called for a new American foreign policy of liberation of the peoples enslaved by the Soviet Union as against the old negative policy of containment and abandoning these peoples to their fate.

The 800 millions of enslaved peoples are our greatest potential allies to destroy the terrible world Communist conspiracy that now takes 2 out of 3 of our tax dollars, regiments our youth, and threatens all out world war III.

Lower and operational heads in our Department of Defense and Department of State are not adjusted to this new policy liberation. Their thinking is geared only to the outmoded concept of peoples fighting peoples. The people of the Western World have no reason whatsoever to fight against the peoples of East Germany, Poland, Czechoslovakia, Eastern European countries, nor China, nor with the peoples of Russia.

Modern techniques make it entirely feasible for us to reach our hand through the barbed wire of the Iron Curtain and help these people get rid of their hated Communist governments. The President recognizes that there is a great potential resistance among these 800 million people. I believe it is the duty of the operational heads of the Departments of Defense and State to develop new concepts of political warfare that can make this potential resistance active, so that the peoples of the enslaved nations might regain their freedom and fashion governments of their own choice.

Congress has already passed a law making it possible to set up national military units of escapees from Iron Curtain countries: Polish units, Hungarian units, Czech, Slovaks, and Russian units, and so forth. The mere existence of such military units would increase the potential for defection from Soviet-controlled armed forces and would strike a powerful blow at Soviet military potential.

We should create an all-out defection program to help paralyze the power of the Communists.

We should cease dealing with the Communist representatives of the enslaved nations and withdraw recognition from them for the reason that we have a friendship for their people.

As long as the present Communist governments remain in power we will have ever-increasing taxes and regimentation of our youth and finally the all-out world war III which the Kremlin is determined to launch at the time most advantageous to itself. There is only one answer: Help the forces of resistance among the peoples behind the Iron Curtain to get rid of their enslaving Communist government.

SPECIAL ORDER GRANTED

Mr. DAVIS of Georgia asked and was given permission to address the House for 45 minutes tomorrow, following the legislative program of the day and any special orders heretofore entered.

SECOND INDEPENDENT OFFICES APPROPRIATION BILL, 1954

Mr. COTTON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 5690) making appropriations for additional independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1954, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H. R. 5690, second independent offices appropriation bill, 1954, with Mr. BETTS in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on yesterday the Clerk had read the first paragraph of the bill.

GENERAL PERMISSION TO REVISE AND EXTEND

Mr. COTTON. Mr. Chairman, I ask unanimous consent that all Members who speak on this bill during this session of the Committee of the Whole and on all amendments thereto may have permission to revise and extend their remarks in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New Hampshire?

There was no objection.

Mr. CELLER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I ask unanimous consent to speak for 2 additional minutes and to speak out of order for those 2 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

BOOK BURNING

Mr. CELLER. Mr. Chairman, before I address myself to the bill in question which is now before us I have asked unanimous consent to speak out of order for 2 minutes.

We have been smug in the belief it—book burning—cannot happen here. That the President of the United States found it necessary to issue the warning "Don't join the book burners" reveals how that smugness must be pierced. Book burning, in the literal and figurative sense, is a national horror from which the free mind shrinks. And no wonder. It is the forging of the death knell for free thought, free inquiry, the degrading of individual dignity. We recoiled in horror when the Nazis and Communists practiced it. Is it any less excusable when we do it? The free world stands aghast. Freedom is not merely a word. It is the right of a man to examine ideas, to hold them up to the light of the truth, to discard and to know what he is discarding. The text of President Eisenhower's statement on book burning should be memorized by every American, for it is as much a part of the American creed as the pledge of allegiance to the flag of the United States. Let no one say, in and out of Government, "this does

not mean me." It does. It means everybody. He who excludes himself embraces tyranny.

BALANCING BUDGET

With reference to the bill before us, there is a conception current that Government can be run as a business. That conception is false. Nothing is more unrealistic and contrary to the welfare of the country. Unlike Government, the motive of business is profit, more and more profits, and rightly so. Unlike Government business has restraints upon it, like the antitrust laws, income taxes, the excess profits tax and licenses. One does not confuse the profit motive of industry—one dare not—with the reasons for the establishment and running of the United States Government. Those reasons are in the Constitution and they are as follows:

We formed a Government, in order to form a more perfect Union, to establish justice, to insure domestic tranquility, to provide for the common defense, to promote the general welfare and to secure the blessings of liberty to ourselves and our posterity.

Thus, what is good for business may not be good for these constitutional purposes. What is good for General Motors cannot necessarily be good for the country. General Motors is not under injunction to provide for the common defense, the general welfare, and to secure the blessings of liberty for ourselves and our posterity.

Also, it is faulty, grievously faulty, to compare the running of Government with the home, as was done by our distinguished President in a recent telecast. That is naive and again unrealistic. A home is run for the convenience of the family, a single unit. A home is not dedicated to the advance, the welfare, the health, happiness, and education of 160 million people. Running a home is not the operation of making treaties, making war or peace with foreign nations, conserving our natural resources reconciling the interests of worker, farmer, and industrialist all at the same time.

Balancing a budget in the home is far removed from balancing a budget in our Government. When the President sought to make the comparison in his telecast he was guilty of the grossest oversimplification and naivete. Unfortunately, the new concept is that the budget, as in the home, as in business, must under any and all circumstances be balanced.

Every act of indifference to human needs is to be excused by the rallying cry "balance the budget." Every act of indifference to veterans' reasonable needs is to be excused by the cries of economy. Too often those who make these cries know the "price of everything and the value of nothing." Of course, try as best you may to even up appropriations with revenue, but not in any event in disregard of human needs.

By all means you can make a neat column of figures on the comptometer to show economy. But there is a shadow standing behind the dollar sign. What is that shadow? That shadow is the

human being, particularly the veteran, who carries with him always the scars of battle, physical and mental. Remember, we said, "Nothing is too good for our boys." How forgetful are some. Time has dulled the memory of those who worship at the altars of the false gods of economy. They have forgotten the pledge. I shall not forget the pledge. Outcries against false economy have caused proper changes in the originally proposed appropriations for veterans. Public opinion was aroused and caused the restoration of cuts that were improper in the sense they did not take care of the veterans fairly and judiciously. Those cuts, those improper cuts, were indeed inconsistent with the pledges we made to the veterans. I am happy that the wrong has been righted.

The Clerk read as follows:

ATOMIC ENERGY COMMISSION

Operating expenses: For necessary operating expenses of the Commission in carrying out the purposes of the Atomic Energy Act of 1946, including the employment of aliens; services authorized by section 15 of the act of August 2, 1946 (5 U. S. C. 55a); maintenance and operation of aircraft; publication and dissemination of atomic information; purchase, repair, and cleaning of uniforms; purchase of newspapers and periodicals (not to exceed \$5,000); official entertainment expenses (not to exceed \$5,000); not to exceed \$2,389,130 for expenses of travel; reimbursement of the General Services Administration for security guard services; not to exceed \$27,352,000 for program direction and administration personnel; and hire of passenger motor vehicles; \$891,781,000, together with the unexpended balances, as of June 30, 1953, of prior year appropriations made available under this head to the Atomic Energy Commission: *Provided*, That of such amounts \$100,000 may be expended for objects of a confidential nature and in any such case the certificate of the Commission as to the amount of the expenditure and that it is deemed inadvisable to specify the nature thereof shall be deemed a sufficient voucher for the sum therein expressed to have been expended: *Provided further*, That from this appropriation transfers of sums may be made to other agencies of the Government for the performance of the work for which this appropriation is made, and in such cases the sums so transferred may be merged with the appropriation to which transferred: *Provided further*, That no part of this appropriation shall be used to pay the salary of any officer or employee (except such officers and employees whose compensation is fixed by law, and scientific and technical personnel) whose position would be subject to the Classification Act of 1949, as amended, if such act were applicable to such position, at a rate in excess of the rate payable under such act for positions of equivalent difficulty or responsibility: *Provided further*, That no part of this appropriation shall be used in connection with the payment of a fixed fee to any contractor or firm of contractors engaged under a cost-plus-a-fixed-fee contract or contracts at any installation of the Commission, where that fee for community management is at a rate in excess of \$90,000 per annum, or for the operation of a transportation system where that fee is at a rate in excess of \$45,000 per annum.

Mr. YATES. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. YATES: On page 2, line 25, after the colon following the word "expended", insert the following: "*Provided*,

That of the funds appropriated for research and development, the sum of not to exceed 7.9 million dollars shall be used for research and development for a single shore-based prototype of a nuclear-power unit capable of being used for the propulsion of large ships and for the generation of useful power for civilian purposes."

Mr. YATES. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. YATES. Mr. Chairman, this is a picture of an atomic aircraft carrier that I hold in my hand. This is a carrier which, according to a magazine article written in Collier's by John Floborg, who is Assistant Secretary of the Navy for Air, was to be the Navy's Sunday punch. The article is entitled "Seapower, Sunday Punch" which appears in Collier's for October 4, 1952.

This was the carrier on which work was begun last year as research was undertaken for the construction of an atomic power plant. This is the carrier, work upon which was canceled by the Department of Defense this year, when the Secretary of Defense recommended that work on the reactor be stopped as being no longer a military requirement. That, Mr. Chairman, essentially is the reason for my amendment: to counteract the action of the Department of Defense in stopping the work begun last year on the atomic aircraft carrier, and to insure that the reactor now being built by the Atomic Energy Commission will be capable of being used for the purpose of powering an aircraft carrier.

This bill carries funds for research and development of a reactor, but the Commission reactor according to the testimony given to our subcommittee is not designed to be used for powering an aircraft carrier. The AEC's reactor is intended being used for the generation of civilian power.

Without undue difficulty the work that was undertaken last year for a double objective, the work that was undertaken to power an aircraft carrier as well, can be accomplished by the project now in work by the Atomic Energy Commission. Yet, Mr. Wilson, Secretary of Defense, still says no. He was asked yesterday in a press conference as to whether or not he favored the construction of this reactor, and this is what he said, as reported in the Washington press this morning:

The Defense Department canceled plans to build atomic power plants for an aircraft carrier and an airplane, in order to put the emphasis on more research on the problem rather than on going into an immediate design. Atomic-powered submarines, however, are "most promising" and construction is going ahead. Wilson said he did not know if the submarine reactor could be adapted to carriers, but this is one approach. Meanwhile, he added, the Atomic Energy Commission can go ahead with building a land reactor.

To my mind, the Secretary's statement just does not make sense. We are dealing here with a reactor that is only in

the research stage. The work has not yet reached the stage of design.

The Joint Chiefs of Staff have determined that a military requirement exists now for the construction of a single shore-based prototype of a nuclear power propulsion unit suitable for driving one shaft of a major warship, such as an aircraft carrier, and for use after completion as a shore installation for the production of plutonium for electric power. This prototype should be, as far as design knowledge will permit, as nearly as possible an exact duplicate in all respects of one of the units which will be on shipboard to form the complete four-shaft plant.

In the face of this recommendation by the Joint Chiefs of Staff, why does the Secretary of Defense insist that the Atomic Energy Commission go ahead with this reactor for land purposes only? If he does not want an atomic carrier, why has he then approved the construction at an expenditure of almost a quarter of a billion dollars of a carrier of the *Forrestal* class? One thing is certain, that if we listen to the Secretary of Defense on this measure an atomic aircraft carrier may never be built. Did the Secretary consult with the Joint Chiefs before making up his mind?

Mr. Chairman, my amendment is directed to one purpose, to authorize and direct the Atomic Energy Commission to continue the work that was begun last year to develop and to construct an atomic reactor for a double objective rather than for a single objective. This can be done without substantially more money. No additional funds are requested in this appropriation. We are told that this reactor can be made to serve both a military and a civilian purpose. As I see it, faced as we are with a continuation of an atomic race with the Communists for supremacy, with the knowledge that the field of atomic energy is not limited only to the explosion of a bomb or an artillery shell but that the race is for the discovery of the secrets which will enable us to obtain the propulsion of military vehicles of war as well as their weapons, I believe the amendment I have offered should be accepted.

Mr. JONAS of North Carolina. Mr. Chairman, will the gentleman yield?

Mr. YATES. I yield.

Mr. JONAS of North Carolina. Is this a correct statement, that the gentleman's amendment would make mandatory the research looking to the construction of the double-action reactor, whereas the language in the bill makes that permissive?

Mr. YATES. That is essentially correct. It is not correct in this respect: My amendment would direct the Commission to continue the work it began last year when they were operating under military requirements by the Joint Chiefs of Staff to so design and construct this reactor that it would be useful to propel an aircraft carrier, as well as for civilian purposes. The language that has been accepted by the committee does not require the Commission to do this. As I interpret that language, the Commission can construct a land-based re-

actor, which would be useful for the generation of civilian power only. There is no question, but that knowledge could be gained from the construction of that reactor would be useful for naval vessels. As long as we are constructing this reactor, capable of being used for an aircraft carrier, we ought to do so.

Mr. JONAS of North Carolina. This is correct, is it not? The language under the gentleman's amendment says that the money shall be used for research and development for a single shore-based prototype of nuclear power unit capable of being used for the propulsion of large ships and for the generation of useful power for civilian purposes.

Mr. YATES. That is good, but still is not adequate. The language of the Committee in the bill uses the word "technology." Any reactor that you build will advance the technology for both purposes. I contend that we are still appropriating money for military use. We are constructing new carriers. Then let us build an atomic powerplant for that carrier too, particularly, when we do not eliminate the civilian purpose. That is the purpose of my amendment.

Mr. HOSMER. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, there seems to be a great deal of doubt and uncertainty as to just what a reactor is and as to every other phase of the atomic-energy program. I think that is probably the basis for the arguments in favor of the amendment being conned from newspaper articles, Collier's magazine, and various other places. Let me say this. The first atomic reactor in this country was put into operation in late 1944 or 1945 in Washington for the purpose of breeding plutonium for use in the second bomb that was dropped over Japan. Since that time the reactor problem has been under study and research throughout the Nation. One phase of it amounts to the changing of U-238 into Pu-239, which is a fissionable product. When fission of either U-235 or Pu-239 occurs, a great amount of heat is released. Now, actually, the bomb itself is nothing more than a disintegration or fission of atoms, and in the bomb it is not controlled—it all goes out at once. In these reactors you control your neutrons so that the reaction is controlled or slowed down and the amount of heat released is limited in amount at any one time. In the reactor all you do is take that heat and transfer it into an ordinary standard usable type of energy. That is, water or some other heat-transferring fluid is run through the reactor at the time the atomic heat is being released and then taken on to, let us say, a steam turbine. It is just as simple as that. There is no mystery about this thing. Your plant out in Washington at Hanford and your engine they are making for submarines are the same, identical process. The only thing in the world this amendment proposes to do is to build another size plant somewhere in between. You have your technical knowledge from the big plant at Hanford. You have your technical knowledge from your submarine work. There is no reason in the world why it

is necessary with that brand of research going on, and the field being explored from one end to the other, why the Congress should tie down the hands of the Atomic Energy Commission and the scientists who are doing the research work on this problem to one specific, small, tiny field. Who are we in the Congress to compel these scientists who really know about this work and what has to be done to work only on a small restricted phase of the problem? Particularly when this phase is being taken care of in the overall work they are doing in the development of reactor processes. If you want to build an atomic engine for a large aircraft carrier, it is the same identical problem as building it for a small submarine and there is no sense in the world, in my opinion, of trying to pin our research down to some aircraft carrier that may never even be built.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. HOSMER. I yield to the gentleman from Illinois.

Mr. YATES. The information that was submitted to me is to the effect that the powerplant which is being constructed for the propulsion of the submarine cannot for the sake of realistic, efficient, and economic operation be used in the propulsion of an aircraft carrier. The submarine will use U-235 as fuel; the use of such fuel for a carrier is not practicable.

Mr. HOSMER. The only difference between using U-235 and Pu-238 as fuel is that the reaction of the latter is just a little bit slower.

Mr. YATES. That is correct. Therefore, the new reactor proposes a different theory, so that an aircraft carrier may be operated on a much more efficient and economical basis, possibly through the use of a breeder unit.

Mr. HOSMER. Let me say this, that the difference in the reaction between these two fuels is not in minutes or hours, but in microseconds. That difference is very small.

Mr. YATES. The point that I am making is that our committee was assured that such a reactor could be built for a double purpose, for both civilian and large-ship purposes.

Mr. HOSMER. Was the gentleman assured that by the Atomic Energy Commission?

Mr. YATES. Yes.

Mr. HOSMER. Let me say that I spent a year working for the Atomic Energy Commission and I find that I cannot rely on anything the Atomic Energy Commission tells me, because everything they have done has been wound up in a cloak of secrecy and security, and behind that cloak are some things that would certainly amaze and disgust you gentlemen of this Congress.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. WHEELER. Mr. Chairman, I move to strike out the last word.

Mr. PHILLIPS. Mr. Chairman, will the gentleman yield to see if we might fix some time for debate on this amendment?

Mr. WHEELER. I yield to the gentleman from California.

Mr. PHILLIPS. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto be concluded in 15 minutes, the last portion of the time to be reserved to the committee.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. WHEELER. Mr. Chairman, since we have under discussion one of the most important items in this bill, the Atomic Energy Commission, I take this time merely to call the attention of the House to the fact that within the next hour I shall be introducing into this legislative body a bill for the purpose of impeaching one Justice Douglas of the Supreme Court.

I see no particular point in all this business that we are going through, attempting to secure information relative the Atomic Energy Commission program, and then have one Justice of the Supreme Court take unto himself the authority to grant amnesty to two proven spies who have been convicted of having stolen the secrets about which we are now legislating.

I see no particular point in sending men to Korea to die while atomic spies are allowed to live here at home. I can understand where in an emergency one Justice of the Supreme Court could grant amnesty in good conscience. But where the case has been heard two or three times by the full Court, then by one Justice yielding to the vociferous minority pressure groups of this country to grant amnesty to these two convicted spies is indefensible. I cannot sit idly by here in this legislative body without seeking to do something about it. Therefore, within the next hour I propose to introduce into this body a bill of impeachment proposing to impeach Justice Douglas.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. HOLIFIELD].

Mr. HOLIFIELD. Mr. Chairman, I find myself in a peculiar position today on this amendment offered by my friend from Illinois. As a member of the Joint Committee on Atomic Energy since its inception I think I have a pretty good grasp of this particular situation, and I want to say that I am so pleased with the restoration of this fund by the committee that I find it very hard in my heart to be considered in any way critical. I think that the committee in restoring this fund has done a very important thing. I think it is very important that the development of a reactor for power proceed, and that is what is meant by this appropriation now. I regret only that it is not larger, because I note that \$1,700,000 is for cancellation costs. Is not that true?

Mr. PHILLIPS. The gentleman understands that \$4,200,000 is for research, and small items of \$800,000, is also for research; another \$3,150,000 for the preparation of plans, and in addition to that \$7 million is approved for the beginning of a pilot plant, that is, for con-

struction; and I would like to say that this amount was not set by us but was the amount the AEC said it could use.

Mr. HOLIFIELD. If the gentleman will answer one further question, how much of the cost is for cancellation of the original program?

Mr. PHILLIPS. One million seven hundred thousand dollars, so I understand.

Mr. HOLIFIELD. As I understand, \$1,700,000 goes for cancellation of the larger program, and I regret that we are going to lose that amount. However, I want to address myself to the technical point involved. You cannot go ahead with research development and construction of a civilian power reactor, that is, a power reactor to produce electric energy for civilian purposes, without at the same time finding out a tremendous amount about a similar reactor which could be put into a ship, into the actual building of a reactor that would go into an aircraft carrier; that would be built in a different way with a different type of shielding, and it would have to be more compact and confined to the space available, and you would have to use different materials, but for the objective of developing a reactor that would produce useful and practical amounts of power it could be diverted from the propeller of a ship into the turning of a turbine for civilian purposes just the same.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. HOLIFIELD. I yield.

Mr. YATES. A slight point, but I would point out to the gentleman the fact that when there was a power shortage in the city of Tacoma, Wash., power and light were supplied to the city by an aircraft carrier anchored right outside.

Mr. HOLIFIELD. Yes. I recognize that point. When, and if a marine propulsion atomic reactor is constructed, that reactor, too, could be used to supply emergency power to a port city.

I frankly would like to see both types of reactor development proceed and therefore I am in sympathy with the gentleman's objective as contained in his amendment. But I do believe that such course is permissive under the committee's language, although not specifically directed as in the Yates amendment.

Again I state that it is so important that a civilian use power reactor be developed, that will advance atomic reactor technology in the immediate future, that I am appreciative of the committee's action in restoring the \$7 million. I want to thank the subcommittee including the gentleman from Illinois for their support and restoration of the \$7 million appropriation.

(Mr. HOLIFIELD asked and was given permission to revise and extend his remarks.)

The CHAIRMAN. The Chair recognizes the gentleman from Illinois [Mr. PRICE].

Mr. YATES. Mr. Chairman, I ask unanimous consent that the gentleman from Illinois [Mr. PRICE] may extend his remarks at this point in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. PRICE. Mr. Chairman, I will support the amendment offered by the gentleman from Illinois [Mr. YATES].

I am glad he has directed the attention of the House to a situation in connection with reactor development which in my opinion will lead to a slowdown in a very important phase of our atomic energy program. There is no good reason to give up experiments and research directed toward achieving a reactor which eventually will be of value in our national security program.

The trend which I see toward halting important research and development projects so vital to our defense is alarming. Certainly the Congress would be on much safer ground if the Yates amendment is approved. We should recognize it as our responsibility to direct a continuance of research and development on a reactor which eventually may provide the power to propel our ships and fly our military aircraft. Both goals have been set as military requirements. How can we fulfill such requirements if we abandon the reactor program? The Yates amendment will insist on a continuation of it.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. PHILLIPS].

Mr. PHILLIPS. Mr. Chairman, I yield to the gentleman from North Carolina [Mr. DURHAM].

Mr. DURHAM. Mr. Chairman, I want to give my support to the bill appropriating money to the Atomic Energy Commission for the coming year. It is especially deserving of bipartisan support because it is such a fine demonstration of the fact that science and technology—not politics—govern our atomic program.

Members of the Independent Offices Subcommittee have reported to us a bill which sets aside \$4,200,000 for research and development and \$7 million for the beginning of construction of an atomic powerplant. The language of the bill stresses that this plant is to be equally useful from a technical standpoint for both large naval vessel propulsion machinery and central station electric power for industrial use. This is the kind of action we must take in order to insure that our atomic-energy program will move forward with equal vigor for peace and war.

The real problems involved at this stage in the development of atomic power relate to advances in science and engineering, not in gadgets and details of economics. The important thing to everyone—Navy men and industrialists alike—is that we do not slow down in our efforts to gain real experience in building and operating a full-size atomic powerplant.

The subtle distinction which has been raised here this afternoon regarding the amount of this effort which should be directed toward Navy rather than industry, is more semantics than science.

I want to join the gentleman from New York, my esteemed successor as chairman of the Joint Committee on Atomic Energy [Mr. COLE], in assuring the House that on this as on all other mat-

ters in atomic energy the "watchdog" joint committee will do its very best to see to it that the intent of Congress is not subverted by bureaucrats—whether they serve the Government or industry. The program which we will be fostering with this bill is the one sure way open to us of maintaining our momentum in the science and engineering of atomic-power development. As bargains go we would look far to find a better one.

As today we look at the expending frontiers of all of science, and particularly at the great untapped reservoir of energy to do man's work that is represented by atomic energy, it becomes apparent that our action here in the House in approving—as I pray we will—this farsighted and thoughtful appropriation bill as submitted by the gentlemen from California, may well be the key opening the door to that promise-laden future.

Mr. PHILLIPS. Mr. Chairman, the subcommittee is very sympathetic to the gentleman from Illinois, who is a member of the subcommittee, but we are not entirely sure why the gentleman is so worried about the situation. Yesterday, in the debate, the gentleman from New York [Mr. COLE] expressed the same feeling that he did not quite understand the concern about it. Two members of the Atomic Energy Commission have indicated they would not approve the amendment offered by the gentleman from Illinois and that experimental work was being carried out on a reactor which would meet the two purposes. The President of the United States, after consulting, so I understand, with the National Security Council, issued an Executive order covering this issue. The Department of Defense, consulted, speaking through a spokesman for that Department, said it did not think this amendment is a necessary one. It seems to me under the circumstances and with all regard and respect for the gentleman from Illinois, that the amendment should be defeated.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. PHILLIPS. I yield to the gentleman from Illinois.

Mr. YATES. Do I understand that it is the intention of our subcommittee that the Atomic Energy Commission provide a reactor that will be capable of being used by an aircraft carrier as well as one that may be used for civilian purposes?

Mr. PHILLIPS. So far as the basic principle is concerned, I would say yes. Considerable conversation that was had in the hearings does not appear, of course, so far as that subject is concerned. Therefore, so far as saying that you can take this reactor or this power plant, using simple language, and putting it in a boat, I would say no, because there are certain additional balancing principles to be considered after the initial experimenting has been done. But other than that, the answer is yes.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois [Mr. YATES].

The question was taken; and on a division (demanded by Mr. YATES) there were—ayes 17, noes 67.

So the amendment was rejected.

The Clerk read as follows:

For expenses necessary for the operation and maintenance of the Selective Service System, as authorized by title I of the Universal Military Training and Service Act (62 Stat. 604), as amended, including services as authorized by section 15 of the act of August 2, 1946 (5 U. S. C. 55a); not to exceed \$250 for the purchase of newspapers and periodicals; not to exceed \$80,000 for expenses of travel, national administration, planning, training, and records management; not to exceed \$200,000 for expenses of travel, State administration, planning, training, and records servicing; \$92,500 for the National Selective Service Appeal Board, of which not to exceed \$3,875 shall be available for expenses of travel; and \$265,000 for the National Advisory Committee on the selection of doctors, dentists, and allied specialists, of which not to exceed \$35,000 shall be available for expenses of travel; \$29,882,400: *Provided*, That during the current fiscal year, the President may exempt this appropriation from the provisions of subsection (c) of section 3679 of the Revised Statutes, as amended, whenever he deems such action to be necessary in the interest of national defense.

Mr. McCORMACK. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, we just witnessed an amendment offered by the gentleman from Illinois and the interesting debate on both sides, with Members on both sides recognizing the importance of the situation in relation to atomic-energy development in the national interest of our country and, more broadly, in its contribution toward, as we hope in the near future but ultimately, a world of peace; not only the development of atomic energy, but perhaps some more powerful energy that, if necessary, could be utilized in connection with our national defense.

While the debate was going on, my mind went back to the early days of World War II, and I can tell this now because it is no longer a secret, when former Speaker RAYBURN asked Speaker MARTIN, then the minority leader, and myself, then the majority leader, to meet in his office the next day with General Marshall, the late Secretary Stimson, and Dr. Bush. I had no knowledge as to what the meeting was called for, or its purpose. To me it was one of the most important meetings that I ever participated in. I had heard rumors of some experiment going on but I had no knowledge of it, and for the first time I found that our country was engaged in an experimental race with Nazi Germany in the development of a bomb. I did not even know then and for some time later what kind of a bomb it was. I did not know where the plant was located. We were informed by the late Secretary Stimson, General Marshall, and Dr. Bush, who was at the head of the Manhattan project—and I will ask the gentleman from New York [Mr. COLE] if my memory is correct as to that.

Mr. COLE of New York. Headed by General Groves.

Mr. McCORMACK. But Dr. Bush was one of our leading scientists.

Mr. COLE of New York. He was identified with its research and development.

Mr. McCORMACK. Exactly. The information they gave us at that time has

left a lasting impression on my mind. The project was started with funds supplied by the late President Roosevelt out of his blanket funds. It could not be carried on without appropriations by the Congress. They told us that during the next 2 fiscal years it would be necessary for Congress to appropriate from \$1,600,000,000 to \$1,800,000,000 to carry on the experiment, in such a manner that the then enemy, Nazi Germany, would not know what the money was being appropriated for. The leadership was asked to get this money appropriated. The necessary amount was.

The last Secretary Stimson and General Marshall frankly told us that it was a race between our country and Nazi Germany; that they did not know how many experimental plants Germany had; that a few weeks prior to that time a British commando force had gone into Norway and accomplished one of the bravest raids of World War II, doing considerable damage to an experimental plant the Germans had in Norway, and that they felt they had put the Germans back 6 months insofar as the operation of that plant was concerned, but with the efficiency of the Germans it might be 3 months. They also said they did not know where any other plants were located, if the Germans had them.

Mr. HOLMES. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Washington.

Mr. HOLMES. I appreciate and am very much interested in the remarks the gentleman is making, because I will never forget the day when a young liaison officer from the Joint Chiefs of Staff came into my office and said there was going to be a huge plant located in the Fourth Congressional District of the State of Washington, that it was of an extreme emergency type, and that it would cause a tremendous amount of dislocation. It turned out to be the Hanford Engineering Works. That was in February 1943.

Mr. McCORMACK. It was just about that time. I thank the gentleman.

I want to get this story to the Members of the House because it concerns all of us as Americans and has a connection with the best interests of our country.

General Marshall and the late Secretary Stimson, with their heads down on their chests, told the three of us that if the Germans completed that bomb before we did, overnight we could be defeated.

I simply refer to this so that we may have in mind the gamble that was taking place. It was a great gamble. But they said then it might be \$2 billion thrown down the drain, it might be a failure. Dr. Bush told us of the advances we had made at that time. That was a secret that was kept religiously until the first bomb was dropped on Japan. I think some of the members of the appropriate Subcommittee on Appropriations were taken into their confidence, but on the Hill here among the legislators that was a secret that was religiously kept.

I am wondering how far the Soviet Union has gone now in the development of atomic bombs and other more destruc-

tive bombs. I think it is safe to say that we do not know. We may have an idea, but certainly we do not know. How many experimental plants have they? What advance has been made by their scientists in both basic and applied science? I do not know, just as in 1943 we did not know when we were called into that conference. We had to take a gamble. We had to go ahead because it was a race against time—a race between the United States and Nazi Germany. We had to spend the money. It might have been wasted. Fortunately, we won that race. Our scientists and others developed it. But how do we know what the situation is in the world today? So, in connection with actions and appropriations in relation to the development of atomic energy, which I sincerely hope and pray will be used for peaceful purposes but, if necessary, will be used for the defense of America, I think we should recognize the gamble that was taken 10 years ago and realize that we have to take chances now. If we are going to err in the amount of appropriations, we had better err on the side of strength and safety, not on the side of weakness.

Mr. HOLIFIELD. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, except for the 3 minutes I took a few moments ago, I have not spoken on this bill and I do not intend to speak on the rest of it. But I do want to say this to the membership of the House at this time. There are quite a number of the Members of the House who have been on the Atomic Energy Committee from its very inception. The largest percentage of them have served constantly over 7 years. It has been a real pleasure to serve on that committee, and I can say with absolute truthfulness there has been less partisanship on that committee than there has been on any committee I have served on in the House. I want to pay tribute at this time to the three chairmen we have had, and the acting chairman of the committee in the last 7 years. Starting out in the 80th Congress with Senator BOURKE HICKENLOOPER and followed by Senator McMahon, now deceased, and then by our acting chairman the gentleman from North Carolina [Mr. DURHAM], and our present chairman the gentleman from New York [Mr. COLE]. These men have given unselfishly of their time to this work. There have been almost daily meetings of the committee. I think it is because this committee has been so dedicated to this work of developing this atomic-energy program that we are as far ahead as we are today. I think I am betraying no secret when I say this committee has pushed the Atomic Energy Commission in their management and it has pushed the military people to adapt the new knowledge in this field to strategic and tactical weapons and to widen the field of its application. We have pushed the Atomic Energy Commission to obtain new and additional ore. I believe this committee has functioned in such a way and discharged its responsibility in such a way that this project is so far ahead of the Russians today that it gives each

and every one of us a feeling of great confidence and great security in our ability to defend ourselves and this Nation. This does not mean that we can afford to relax in our program of further development. I want to pay tribute at this time also to the subcommittee on appropriations that has always had the handling of this appropriation. They have been understanding and they have caught the vision of the job that is to be done. Almost without exception they have supported the Joint Committee on Atomic Energy's recommendations with regard to all of these important projects now going on in the Nation. We honestly believe the money spent on this atomic-energy project and our advancement to date in different types of weapons which are now available, is the greatest deterrent that there is against the world conquest planned by the Soviets.

I agree with the statement made by Sir Winston Churchill lately when he said that if it had not been for the atomic bomb being in possession of the free nations of the world, the Soviets would have pushed their boundaries clear to the English Channel in Europe and throughout the whole of southeast Asia as well as the territory of Manchuria and China, which they occupy at this time. I know many Members of this House have gone along with this program on the strength of the recommendations of the members of the Joint Committee on Atomic Energy and the members of the Committee on Appropriations although the Members did not know the details. So I think it is a great tribute to every person on the Committee on Appropriations and the Joint Atomic Energy Committee that you have gone along, and I assure you most of our action in that committee has been unanimous, and I believe we merit the confidence which you have shown during the past 7 years.

The Clerk read as follows:

TENNESSEE VALLEY AUTHORITY

For the purpose of carrying out the provisions of the Tennessee Valley Authority Act of 1933, as amended (16 U. S. C., ch. 12A), including purchase (not to exceed one) and hire, maintenance, and operation of aircraft, and hire of passenger motor vehicles, \$188,371,000, to remain available until expended, and to be available for the payment of obligations chargeable against prior appropriations: *Provided*, That no funds appropriated for the Tennessee Valley Authority by this paragraph shall be used for the maintenance or operation of any aircraft for passenger service that is not specifically confined to the active operation of the official business of the Tennessee Valley Authority by officers or employees of such Authority, and not to exceed \$773,000 (exclusive of travel for work in connection with the construction of transmission lines, dams, and steam plants) of funds available to the Tennessee Valley Authority shall be used for expenses of travel: *Provided further*, That no part of funds available for expenditure by this agency shall be used, directly or indirectly, to acquire a building for use as an administrative office of the Tennessee Valley Authority so long as the amount appropriated annually for the construction of power facilities exceeds the amount deposited annually in the Treasury for repayment of the investment of the Federal Government in the power facilities of the Authority: *Provided further*, That no

funds available for expenditure by this Agency shall be used for the payment of the salary of any employee in the District of Columbia at a rate in excess of \$8,000 per annum.

Mr. COOPER. Mr. Chairman, I offer an amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. COOPER: Page 9, line 3, after the word "vehicles", strike out "\$188,371,000" and insert "\$218,371,000."

Mr. COOPER. Mr. Chairman, I ask unanimous consent that I may proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

(Mr. COOPER asked and was given permission to revise and extend his remarks.)

Mr. COOPER. Mr. Chairman, I want to express my very deep appreciation to my good friend and distinguished colleague, the gentleman from Mississippi [Mr. WHITTEN] for his kindness in yielding that I might have the opportunity to offer this amendment. As a member of the Appropriations Committee, he was entitled to prior recognition, but as the project affected by this amendment is in the district which I have the honor to represent, he very kindly did not claim his prior right of recognition in order that I might offer the amendment. We know that he has always been an ardent supporter of the Tennessee Valley Authority program and a great friend of TVA all the way through.

Mr. Chairman, my amendment will provide funds to permit TVA to begin construction of a steam-generating plant at Fulton, Tenn., north of Memphis. If money is appropriated in this bill, 2 units with a combined capacity of 450,000 kilowatts will be installed to be in service in time to meet the peak loads of 1956-57. If we fail to provide the necessary funds to enable orders to be placed for equipment and preliminary work to begin in fiscal 1954 there will be a shortage of power in the whole TVA area in the autumn of 1956. If such a shortage in power supply were to come to this important area because a power plant were bombed, every Member of this House would call for retaliation. If such a shortage came because of incompetence in planning by the management of TVA every Member of this House would join in condemnation. Yet if this House today does not adopt the amendment I have offered we are scheduling a power shortage for the winter of 1956-57 just as surely as if a bomb were dropped to put 450,000 kilowatts out of service in this area vital to the Nation's defense.

I hear it said that the power to be provided by the Fulton plant is not required and that TVA's estimates of load growth for the municipalities and cooperatives it serves are excessive. Without disrespect to those high-placed officials who have been induced to believe such statements, I submit that they are wrong. Since 1939 when TVA took over the responsibility of power supply for this service area its estimates of power demand have been sound. TVA could not,

of course, anticipate the expanding requirements of the atomic-energy program, nor could it foresee the sudden claims of other defense establishments for large amounts of energy. But with respect to what might be called the normal load growth, TVA's estimates have been conservative, with never a kilowatt or a dollar wasted in capacity unused.

I know the experts of the Edison Electric Institute are reported to disagree with TVA's power forecasts. That does not worry me. It should not influence this House. Those experts have been wrong too many times. They were talking about power surpluses a few years ago while the national defense agencies were scouring the country for areas in which there was power available for new defense requirements. They were crying "surplus" when every informed person knew that power supply was a bottleneck in war and national defense preparations.

We who live in the Tennessee Valley area know the record of the private power companies who served the area prior to TVA. We know they kept the prices high, the capacity low, and sold our future short. Every Member of this House who was here in 1948 should remember the last time there was an open clash between the so-called experts of the private utilities and the qualified and competent technicians of TVA. Then the private utilities argued that the Johnsonville steam plant was not necessary. Well, it was. Then, as now, tables and charts were introduced to prove their theories. Well, the Johnsonville plant, with six units, is in service today. The power is being used. That experience should have taught us something. The Government lost money because Congress took the advice of the private utilities. There was a delay of less than a year in starting Johnsonville, but the demand for power could not be postponed even that long. TVA had to make up months of the time lost by the delay in the appropriation of funds. Over \$3 million of overtime costs had to be incurred by the Government merely because this House was temporarily persuaded by the so-called experts and failed to provide the necessary funds when they were requested.

An examination of the record of the hearings before the Appropriations Subcommittee at least suggests that the private power experts and those who rely upon them must know better. They know that there will be an increase in the total load of the TVA system. They know that power is particularly needed in TVA's western Tennessee area, where the Fulton plant was proposed to be located, because there is little generating capacity there and a rapidly growing load. They know that at peak now those west Tennessee consumers require 450,000 kilowatts to supply them. They know that by 1956 700,000 kilowatts will be needed.

Let us get the record straight on this. Those of us who live in the area know what we are talking about. Of course there is occasionally surplus power available on systems which are interconnected with TVA. TVA has had to buy

a lot of it. During the first half of the current fiscal year TVA had to bring in every kilowatt it could from every direction in order to meet the enormously expanded requirements of the atomic energy installations before TVA's own generating capacity could be built. The record shows what happened. Agreements and promises were made by private utilities, but some of them had to be canceled because those companies had less surplus power available than they anticipated. They had underestimated their own growing loads. Some arrangements were on a week-to-week basis, others day-to-day. It was high-cost power, and transmission costs were high. The Atomic Energy Commission paid the bill. The United States Treasury will pay the bill.

This is the kind of undependable, high-cost power the private utilities would like to provide for the power consumers now served by TVA. Instead of receiving their power from plants built with a view to economy and efficiency by the agency having an obligation to serve them, located and designed to give the best service, the private power companies would have them depend for their expanding needs upon high-cost power generated at uneconomical locations, brought over costly transmission lines to serve the customers who have contracts with TVA.

In this matter there are no halfway measures. Unless TVA can discharge its obligations to its consumers just as any responsible and well-run utility should do then it cannot discharge its obligations to the Congress to repay the power investment to the Federal Treasury. We cannot have it both ways. If TVA is to be held accountable to its commitments to the Congress it must be able to operate with the economy and efficiency that has characterized it thus far. Look what happened at the Shawnee plant. Every Member of this House should know that when the Paducah installation of the AEC was begun contracts were made between AEC with TVA on the one hand and between AEC and Electric Energy, Inc., on the other, each of the power suppliers to provide a portion of the electricity required. Electric Energy, Inc., is composed of five private utilities, and as a Member of this House—the gentleman from Alabama [Mr. JONES]—recently pointed out on the floor, spokesmen for private interests went racing around the country calling public attention to the building of the Shawnee plant by TVA and the Joppa plant by EEI as one instance where starting from scratch to do the same kind of job in the same area it would be possible to judge the competence of each. Private utility spokesmen failed to point out that the Joppa plant was scheduled to come in 3 months ahead of the Shawnee plant. They failed to point out that the Shawnee plant is considerably larger in capacity than the Joppa plant. Because they thought they had a sure thing they picked it as a race which was to settle all controversy in this field. Well, so far as I am concerned it is settled. On April 9, without any fanfare or excite-

ment, TVA's Shawnee plant, designed, built, and operated by an agency of the Government, began to furnish power. The Joppa plant is not in service yet, although I read a recent statement in the press reporting that EEI had been given some kind of distinguished service award by the Edison Electric Institute for its achievement.

I believe that when an agency of the Federal Government is authorized to undertake a job it should be permitted to do the job well. TVA should be permitted to begin the Fulton plant as it had planned. The \$30 million requested for fiscal 1953 for the Fulton units will be spent in Pennsylvania, in Wisconsin, New York, Ohio, Michigan, and all the industrial States where orders for electric equipment are filled. Then in 1956, when the plant is built and the people of the area have energy from its generators to use in their homes, on their farms and in their business enterprises, they will begin to pay the money back. In 40 years every penny advanced today and until the plant is completed will be paid back by power consumers, but the plant will remain the property of the Government and its earnings will continue to be an asset to the Treasury.

I cannot be accused of being unfamiliar with or indifferent to the problem of the Government in raising revenues for its operations. I contend that the building of the Fulton plant is a good investment, that it is unthinkable that this Congress should put a ceiling on the progress of this area. I trust my amendment will be adopted.

Mr. WHITTEN. Mr. Chairman, I rise in support of the pending amendment. I was glad to yield the privilege of offering this amendment to the gentleman from Tennessee [Mr. COOPER], distinguished member of the Ways and Means Committee, since this plant would be in his district.

Mr. Chairman, during the years I have been a Member of Congress the TVA and its appropriations and authorizations have been a matter of great controversy. Yet if we study the subject, the issue of whether to have private power or public power in that area, presumably was settled by this Congress years ago when it set up the TVA to be the utility company of the region in the Tennessee Valley, including in that area a large part of north Mississippi.

It was my privilege to serve on this subcommittee for quite a number of years. I want to disabuse your minds of much misinformation which I think has been distributed. In the Tennessee Valley we have flood-control projects which we have in the river valleys of many other sections of the country. They also have to maintain the water at a high enough level for navigation. So in keeping water level of the river low enough to take care of flood control and the water high enough for navigation, it was determined to make this project economically feasible by generating power between those two levels of water supply. With that in mind the money was made available to put in these hydroelectric systems. This gave power for a consid-

erable part of the year. With the passage of time and in view of an increase in the demand for electricity, it was provided that steam plants would be operated for the balance of the year, that is, additional steam plants, so that you would have a firm year-round power supply.

With the passage of time and due to the development of the territory within the TVA distribution area there has come a great demand for additional power and the outlook for the future is that additional power will be needed.

I recall when we had this same fight, when we wanted to let TVA go ahead with the Johnsonville plant, it was said then this would make it possible for TVA to go out and take away territory from the private companies. But that is not true. Involved in this fight here is no effort at all to extend the territorial limits, the geographical limits, in which TVA is the sole supplier of utility services.

I say to you that the TVA, being the utility in this area, the argument that we should have public or private power is a question that was determined when they set up the TVA as the utility for this area. To say here that it shall not be permitted to increase its productive capacity to meet the needs of that area is just as bad as to say in any utility company area that the utility shall not add a new plant to meet the needs of that particular area.

There is one other thing I think I should point out to you. Earlier it was said, why should the TVA be supported by the Federal Government? Why does it not repay to the Government the money that we put in it?

I was a member of this subcommittee and had a large part in writing the provisions of the law, and I hope you listen to this: It requires the TVA to return to the Government in dividends, within a 40-year period, all the money spent for power and for power distribution. That is the law now. The TVA belongs to the Federal Government, but we fix it by law that they must return in dividends, in money, the cost of these power generating facilities, and they have paid \$96 million already. They contemplate paying \$25 million this year.

Now listen to this: After they have returned the full amount of the cost of these facilities to the Federal Government it still belongs to the Federal Government. I say to you, do not get entangled with this question of public versus private power. That is a prime subject if this were territorial expansion. That is a question that might properly have the attention of this House in future developments of other river valleys, but when they set up this utility in this region and when the people of this region had to look to this utility for its power supply, I say to you until you change the ownership of this facility, that certainly the burden is on us to see that that area is not hamstrung.

Why provide new plants in east Tennessee—lose part of the power transporting to west Tennessee? Why not save money by having the power where needed

in the first instance? If I had more time I would like again to present in detail the economy of this addition on the western side of the TVA territory which I presented to the committee yesterday.

When you look into the matter of power supply, there has been no greater increase in power demand in any section of the United States than in that region; yet, if you give them all the additional units asked for here, the rate of increase will be substantially the same rate of increase that other utility companies, private utilities, if you please, are confronted with for power demand in the area which they serve. So, I do hope you will let this agency meet the crying power needs in that area as it is the utility of the section.

Mr. JONAS of North Carolina. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I would like to say at the outset that I am not an enemy of Tennessee or the Tennessee Valley Authority. The only thing I have against Tennessee is the disposition on the part of some members of the athletic department of the University of Tennessee coming over into my State and taking our high-school football players to Knoxville. Of course, I would say to my friend from Pennsylvania that we occasionally go up to his State and bring some football players down to North Carolina to play football.

I would like to discuss this amendment without any heat and I would like for my motives not to be impugned. One gentleman yesterday pulled out the old red herring that is always drawn across the trail and would try to leave the impression that all those who oppose this amendment or who oppose the extension of TVA are tools of some private power trust. I would like to disclaim any connection whatever with any private power utility. If the private power companies have been doing any lobbying on this subject, I would say that TVA has been doing its part.

In this connection I would like to read from a page of the Chattanooga Times dated April 22, 1953, which announces that valleywide meetings were called to support this very amendment, and I quote the following language from that dispatch:

"The meeting to set up the organization is the culmination of a series of some 20 meetings held over the valley at which TVA undertook to acquaint the people of the valley with its budget requirements and the future power needs of the area," Whitaker explained.

Thus was the organization created to develop the propaganda which was disseminated in our home districts to bring pressure upon us here to increase these appropriations.

What do we have here? The amendment would increase the appropriation by \$30 million, but that is only the beginning. The amount involved here is \$90 million, because that is the contemplated cost of the Fulton steam plant when it is finally completed. So we need not kid ourselves that we are concerned here with only \$30 million. The proposal is that we obligate this Government

to build an additional steam plant at Fulton, Tenn., at an ultimate cost of \$90 million.

I call these facts to the attention of those who would contend that our committee has been less than generous with TVA: Funds appropriated in this bill for projects already under construction, including 34 power units, plus 2 brandnew units at John Sevier and Kingston, amount to \$160 million.

Fourteen power units have just been completed and will be put into operation during fiscal year 1953.

Twenty-nine power units are scheduled to be completed and put into operation during 1954-55.

Additional funds are provided in the bill amounting to \$17,800,000 for two brandnew projects.

Additional funds are provided in this bill for other projects in the sum of \$9,982,000.

In addition to all this, TVA will have an estimated income—and it is estimated by their own officials—this year of \$179,276,000 to spend, income from the sale of power, or a grand total of \$367,647,000 that TVA will have to spend from its own income and from appropriated money.

How much more money should this Congress take from the taxpayers of the United States to give to the TVA in order to build additional plants? Is not \$188,371,000 enough for 1 year, considering the fact that TVA will have from its income funds the additional sum of \$179,276,000, or a grand total of \$367,647,000 to spend in just 1 year.

But the proponents of increased spending are not satisfied with this. The people in the Tennessee Valley, who derive the direct benefits from cheap power produced by subsidized funds from the American taxpayer, feel that \$367,647,000 is a very small sum of money and represents a disposition on the part of the Appropriations Committee to stifle the growth and development of TVA.

We are told by those who are seeking to increase this appropriation that \$367,647,000 is not enough for TVA to have to spend in 1 year; that if we do not appropriate another \$30 million this year, which will mean an ultimate obligation on the part of the Government for \$90 million, to build a brandnew unit distant approximately 100 miles from the Tennessee River and situated on the extreme western periphery of the Tennessee Valley area, if indeed it can reasonably be considered as being in the TVA area at all, that we will be breaking faith with the people of the Tennessee Valley and be defaulting on a moral obligation.

I, for one, would like to deny any such allegation. It seems to me that we never will be able to satisfy the beneficiaries of this program. I think it comes with poor grace indeed for Members to stand here and contend that this committee has been less than generous in the appropriations provided in this bill.

Mr. GAVIN. Mr. Chairman, I offer a substitute amendment.

The Clerk read as follows:

Amendment offered by Mr. GAVIN as a substitute for the amendment offered by Mr. COOPER: On page 9, line 3, strike out "\$188,371,000" and insert "\$170,571,000."

Mr. GAVIN. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

Mr. VAN ZANDT. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] One hundred and forty-three Members are present, a quorum.

Mr. PHILLIPS. Mr. Chairman, will the gentleman from Pennsylvania yield to me briefly for an attempt to provide a limitation of time which will not affect his 5 minutes? How much time is desired on the other side? I suggest a limit of 20 minutes, following the gentleman from Pennsylvania who now has the floor.

Mr. DONDERO. Mr. Chairman, reserving the right to object, how much time will that give to each Member?

Mr. PHILLIPS. That would give us about 2 minutes each. Suppose I make it 25 minutes?

Mr. COOPER. Mr. Chairman, reserving the right to object so that we may have a clearer understanding of this, does the gentleman from California have in mind asking unanimous consent to close debate on the amendment and the substitute?

Mr. PHILLIPS. I will do that if that is satisfactory.

Suppose I make it 30 minutes with the last 5 minutes reserved to the committee, and include the name of the gentleman from Tennessee [Mr. BAKER] even though he may not be on the floor at the present time.

Mr. REECE of Tennessee. Mr. Chairman, I would like to be recognized if any arrangement is made as to the limitation of time.

Mr. PHILLIPS. The gentleman from Tennessee is present and would be included among those to be recognized.

Mr. Chairman, I will not make any request at this moment. Suppose debate continues for another 10 minutes.

Mr. HOFFMAN of Michigan. Mr. Chairman, a parliamentary inquiry. Would it be proper now to offer an amendment to the amendment offered by the gentleman from Pennsylvania to include relief for citizens along the western side of Michigan for erosion caused by high water?

The CHAIRMAN. The Chair is of the opinion that the gentleman has propounded a hypothetical question, which cannot be answered at this time.

The Chair recognizes the gentleman from Pennsylvania [Mr. GAVIN] for 10 minutes.

Mr. GAVIN. Mr. Chairman, I want to call the attention of the House to the fact that this Nation of ours is \$267 billion in debt and that the Republican administration is pledged to a program of reduced taxes and effecting economies in the conduct and operation of the Government to afford relief to the long-suffering taxpayers. Also, it is committed, wherever possible, to take the Government out of private business.

In fact, I believe that the gentleman from Indiana [Mrs. HARDEN] is now the chairman of a subcommittee of the Committee on Government Opera-

tions making a study of the situation to take the Government out of business and out of competition with free enterprise.

This amendment of mine is for the purpose of deleting from the bill \$17,800,000 set up for the construction of two new steam units as additions to the existing steam plants at Kingston and John Sevier in the TVA area.

Here is an opportunity to make a start to take the Government out of business. I am a firm believer in the American way of life, the system of free enterprise that has built, without question, the greatest Nation in the world. To me this is the land of opportunity where anyone with the initiative, energy, and resourcefulness can go anywhere in America he wants to. That is the system I want to preserve for the generations to follow.

The early pioneers who built America built it strongly and well. And they were not subsidized. They did not look to the Government every foot of the way for a helping hand. They turned in and worked and produced and built a great Nation. However, today it seems that everyone is looking to the Government. They think that Uncle Sam is a rich uncle whose pockets are inexhaustible and that they can spend and spend and spend without going into bankruptcy.

Mr. EVINS. Mr. Chairman, will the gentleman yield?

Mr. GAVIN. Not at this time.

I am friendly to the development of all the areas in this great country of ours. However, when it comes to steam powerplants there is not any reason why my State or any other State in the Nation should not receive a number of steam powerplants just as well as the TVA area; steam powerplants that pay no interest on the investment; steam powerplants that are tax-exempt; steam powerplants in competition with free enterprise.

Certainly they can produce power at lower rates because of the reasons I have given. This is unfair and unjust, to use the American taxpayer's money to strengthen the industrial potentialities of any one particular area; and it should be discontinued.

Mr. MILLER of Kansas. Mr. Chairman, will the gentleman yield?

Mr. GAVIN. Not at this time.

This is a matter of principle with me. You either stand for the system that built a great America, or you stand for the trend toward creeping socialism.

I hold no brief either for the Republicans or the Democrats. I am making no appeal to either side. You gentlemen decide for yourselves whether you want a free, fair system or whether you want the Federal Government in business. It is up to you to determine whether you stand for the fundamental principles that have built a great America, or whether you are going to turn to the Federal Government to assume obligations at the expense of all the taxpayers, that should be assumed by the people themselves. If we continue this trend ultimately we will find ourselves in bankruptcy.

This TVA project was started as a flood-control and navigation project.

Then it moved over into various other phases, such as hydroelectric power. Then, when they found that they did not have enough water in the low periods in the summertime, they conceived the idea of steam power plants to supplement the hydroelectric power, to give them a well rounded out operation.

It is all right for you to have steam power plants to supplement your hydroelectric power, but you pay for it yourselves; do not ask the people of my State and other States to put the cash on the barrel head to build a project that will crucify the industries throughout the Northeast section of the United States.

Mr. MILLER of Kansas. Mr. Chairman, will the gentleman yield?

Mr. GAVIN. I decline to yield.

In the 80th Congress, the Republican organization—and I am talking to my Republican friends—fought steam power plants, but they were in the minority. So, when my Democratic friends say that this is the law now, that was passed by the Congress, remember that it was passed by a Democratic Congress and not by a Republican Congress. In the 81st Congress, the first steam power plant was authorized.

Let me state for the record that it was not authorized with my votes.

Now, Mr. Chairman, if this TVA is such a paying and attractive proposition why is it necessary to ask the Federal Government for a quarter of a billion or half a billion dollars every year to keep TVA in operation? If it is such a profitable enterprise why do not the people down in the TVA area interest private capital to move in and take advantage of these great profit organizations?

They talk about paying back to the Federal Government in 40 years some billion or more invested in TVA. I want to say right now that the day will never come when you will pay back into the Federal Government the money that has been expended in TVA, and let us not fool ourselves about that. So I say to the Members of the House it is time that we stopped subsidizing all these various projects and get down to good commonsense. Let us be practical realists and know exactly what we are doing. The folks back home, I may say, are looking to us for relief from excessive programs of spending. I hope this amendment of mine will be accepted, for it will indicate to the people whether or not we stand for the principles enunciated by the Republican Party. Those principles were to effect economy, stop this unnecessary spending, reduce overhead, and give some relief to the American people who have been long suffering.

Let me say also that if this great enterprise and all these enterprises we talk about are so profitable how does it come that we are \$267 billion in debt, \$267 billion in debt if all these subsidy programs are returning profits to the Government. Why its simply ridiculous. If all these projects are profitable why are we not in the black instead of in the red every year to the tune of billions of dollars? So I say here is an opportunity if this amendment is adopted to take the Government out of business.

Mr. COTTON. Mr. Chairman, will the gentleman yield for a question?

Mr. GAVIN. Permit me to continue—your vote will indicate to the American people whether you want to keep the Government out of business, whether you stand for the American way of life, whether you stand for free enterprise, and whether or not you are going to reduce this debt and give some relief to the American taxpayer.

I yield to the gentleman from New Hampshire.

Mr. COTTON. The gentleman has plenty of time. I merely wanted to ask the gentleman to tell the House what his amendment does.

Mr. GAVIN. The amendment does this: I explained it in the forepart of my remarks, evidently the gentleman from New Hampshire had not heard me, but for his information I will repeat it again. What the amendment intends to do: The amendment is for the purpose of deleting from the bill \$17,800,000 set up for the construction of two new steam units as additions to existing steam plants at Kingston and John Sevier in the TVA area.

Mr. COTTON. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. PHILLIPS. Mr. Chairman, will the gentleman yield that I may make another attempt to limit time?

Mr. COTTON. I yield.

Mr. PHILLIPS. Mr. Speaker, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 30 minutes, the last 3 to be reserved to the committee.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

Mr. ABERNETHY. Mr. Chairman, reserving the right to object, this is a very important feature of the bill to some of us. We have not taken any time on it. I hope the gentleman will let the debate run along for a while until we can reasonably cover the subject.

Mr. PHILLIPS. Mr. Chairman, I will withdraw my request until the gentleman from New Hampshire has concluded.

The CHAIRMAN. The gentleman from New Hampshire is recognized for 5 minutes.

Mr. COTTON. Mr. Chairman, the question I asked my good friend, the distinguished gentleman from Pennsylvania [Mr. GAVIN] was not asked facetiously; I wanted information for the House so the Members could understand what we have before us and I take this time to make certain that the parliamentary situation is thoroughly understood. In the beginning TVA requested four steam-plant units. Two of those units were to start a new steam plant, the so-called Fulton steam plant in west Tennessee over near Memphis. The other two units were to be added to two existing steam plants in the eastern part of the State in the TVA system.

The Bureau of the Budget, after examining the request, recommended that we not allow the money for the two new units that would start a new steam plant,

but did recommend to the committee that we allow money for the two units that were to be added to existing plants.

Let us bear in mind, Mr. Chairman, that the two units that were taken out by your committee and by the Bureau of the Budget, the Fulton units, would cost \$90 million to complete. For the first year \$30 million would be required to start them. To complete the two units that were left in the bill will cost \$55 million and there is slightly less than \$18 million appropriated in this bill to start them. Frankly, Mr. Chairman, that was a compromise within our committee.

Personally, I am opposed to further expansion of TVA in the form of steam plants. They admitted to our committee that already they contemplate in the next 4 or 5 years that each year they will come back and ask the Congress for 4 or 5 more units. There will be no end to this. I feel that the time has come when we must draw the line somewhere. But this was a compromise reached in the committee. It was the result of the recommendation of the Bureau of the Budget and of President Eisenhower. It allowed for the providing of power the need for which a good deal of evidence was presented. It allowed the 2 smaller, or less expensive, units in existing plants and took out the beginning of a new steam plant. We felt that was a logical step to take and a logical point at which to draw the line. That is the situation.

If you want to take the steam units out of the bill, vote for the substitute. If you want to restore all of them, defeat the substitute and vote for the amendment offered by the gentleman from Tennessee. If you want to follow the course that the committee adopted, that the Bureau of the Budget approved, and that President Eisenhower recommended, vote against both the substitute and the amendment offered by the gentleman from Tennessee [Mr. COOPER]. Beat them both and leave the bill as it is.

I just wanted to take this time to clarify the situation. Personally and conscientiously I am opposed to any new steam plants, but as a member of the subcommittee I am bound to follow the recommendations of that committee to which we all accepted as a fair compromise and as conforming to the recommendation of the President.

Mr. DONDERO. Mr. Chairman, I move to strike out the requisite number of words.

THE TENNESSEE VALLEY AUTHORITY: OUR EMBARRASSING DILEMMA

Mr. Chairman, the Tennessee Valley Authority Act became law on May 20, 1933, at the conclusion of what now seems hasty hearings and hasty congressional consideration to a most novel and untraditional proposal.

Since then many proposals have been made for similar legislation affecting other valleys and streams. At one time this Congress gave serious consideration and study to legislation that would have divided the Nation into seven valley authorities.

It is significant that, in the light of the experience of the people of Tennes-

see and adjacent areas, no other valley authority legislation has received the support and approval of the regions affected or of the Congress.

In keeping with the adventurous nature of our people we have been willing, as in the case of TVA, to try anything once. To this end Congress has generously contributed to the exploitation of power development on the Tennessee River and its tributaries.

Supposedly and theoretically it is a federally endowed plan to control floods, to improve navigation, to promote the growth of fish and wildlife, for forests, and to afford recreational facilities.

TVA is a Federal power trust. Its powers and authority are vast. It is a political entity and a political menace. The crusades of right-thinking and virtuous-minded liberals against the private Power Trust of 30 years ago have resulted in a Frankenstein of which they never dreamed.

As to flood control—the reservoir dams of the Tennessee Valley today permanently overflow more land than was ever watered by the floods of the Tennessee River when it flowed untrammelled and undammed into the Ohio. We have now a permanent flood almost twice as great as the worst flood in the known history of the river.

For this flood control more than 50,000 persons have been displaced by the United States Government. They were uprooted. The cemeteries of their ancestors were covered. The churches where the marriages and funerals of their pioneer forefathers had taken place became the submarine haunt of the fish.

As to navigation—a Commission appointed by President Roosevelt made a long study and reported to the effect that, instead of improving navigation on the Tennessee River, TVA is utterly valueless. This is known as appendix U to House Document 159, 79th Congress, 1st session. It is an obscure document, out of print, and hard to find. I have a copy of it but I doubt if many Members of Congress have ever seen it. The secrecy of the quiet obsequies attendant to the burial of appendix U would be worthy of the attention of some curious newspaperman.

The economy of TVA lags conspicuously behind that of its sister States in the South. What once was thought to have been a blessing—Federal spending—has become a blight as permanent as the permanent overflow of the Tennessee River.

Tennessee has dropped from third to fourth in gross postal receipts among the 11 southern States from 1933 to 1951. It dropped from second in 1929 to fifth in 1948 in retail store payrolls, and in retail stores sales. In 1945 it stood first in construction contracts awarded but in 1951 it stood eighth—could it be that the Federal pump was not being primed fast enough?

In 1933 the value of products manufactured in Tennessee by manufacturing ranked third among this group of States. Today, despite—or could it be because of?—the mythical and legendary advantages of TVA's cheap power, Tennessee ranks fourth.

Economists well know that the cost of electric power is only one-half of 1 percent of the overall cost of manufacturing of most commodities. Manufacturers seeking new locations are interested in other factors besides the cost of power.

We come now to the crux of our 1953 problem. TVA claims, with justification, that it will soon be lacking in the power supply to meet the growing demands of its customers. It therefore requests that the people of the United States, taxpayers of every city, village, and farm, contribute through the appropriating machinery of the Federal Congress to the construction of additional steam electric power generating facilities.

TVA, for the area it serves, once looked like a blessing and now it appears to be a blight. It is the only area solely served by the Federal Government as a source of its electric power. It is, therefore, utterly dependent upon the moods and circumstances under which Congress may choose to bestow upon that area additional funds for generating facilities.

If the people, the factories, the department stores in the city of Detroit and its surrounding neighborhood should require more power, the local electric company, by the statutes of the State of Michigan, and under the terms of its franchise as a privately owned public utility, would be legally compelled to supply such power and in such quantity as to satisfy the demand. The local company, the Detroit Edison Co., with a staff of trained engineers, anticipates the future supply; the executive officers have the necessary data and when additional requirements are anticipated they are met by the sale of stocks or bonds to the public or from the reserves of the corporation. In short, the American private enterprise system operates quietly and efficiently. Detroit Edison pays its way to the Federal Government in enormous taxes and locally in heavy taxes and at the same time the charges for its services, taxes excluded, are as good or better than the sum charged at wholesale by the TVA to its customers.

The dilemma of the TVA, and the dilemma of American citizens who perforce are being served by the Authority, is the inflexibility of the plan.

It is worthy of note that people of the community that I represent and all of the communities represented here by other Members of Congress are footing the bills for TVA. It pays no taxes except in token to local governmental bodies. It pays, with slight exception, no interest on the principal on the Federal investment. Yet, it is always short of power.

The question arises, and naturally so, as to why the TVA's customers do not build their own additional steam plants to supplement the power they receive from the TVA. That is the present "\$64 question." The answer goes back to the summer of 1935 when the original TVA Act was amended. Among the changes in the act this language was added:

That the Board is authorized to include in any contract for the sale of power such

terms and conditions, including resale rate schedules, and to provide for such rules and regulations as in its judgment may be necessary or desirable for carrying out the purposes of this chapter, and in case the purchaser shall fail to comply with any such terms and conditions, or violate any such rules and regulations, said contract may provide that it shall be voidable at the election of the Board (49 Stat. 1076; U. S. C. 8311).

This section of the act plainly grants to TVA the authority to insert in any of its contracts for the sale of power the conditions that it be the sole supplier of power and that the purchaser cannot build a steam plant to supply additional power.

This legislative language has been abused to the point where every city and every rural-electric cooperative is an economic captive of the Board of Directors of the TVA. I now cite to you an example: The power contract between TVA and Union City, Tenn., which was negotiated in 1950. This contract would seem to be substantially the same type of standard contract which TVA has with other municipalities. In this particular instance Union City apparently wished to abandon its locally owned generating facilities and obtain electric power from outside sources. Being in the State of Tennessee, there was no alternative for this community to seek this power source from anyone except TVA.

Section 3 of the contract, entitled "Power Supply," states:

Beginning on the date of initial delivery and thereafter for the remaining term of this agreement, Authority will supply for municipality's use and for resale all of municipality's power requirements up to the maximum demand specified in section 4 hereof.

Municipality shall in no event obtain, by generation, purchase, or otherwise, power from any source, other than Authority's electric system, without the consent of Authority, unless Authority has refused to supply municipality such additional quantities of power as may have been applied for as provided herein, and then only to the extent of its requirements in excess of the power available from Authority. Should municipality, during the period of this contract, desire to increase its purchases of power in excess of the maximum provided herein, municipality may apply to Authority for additional quantities of power. Such application shall be in writing and shall be supported by proof of probable need for such additional power.

It can be seen from this section that Union City has obligated itself to prove, in writing, the need for any additional electric power before it could expect any consideration of additional power supply needs which may occur under reasonable expanding conditions. TVA, on the other hand, expects assurances respecting the increased use of power so that it in turn could justify its request for expanding its generating facilities.

SEC. 5. Schedule of rates: Attached hereto and hereby made a part hereof is a schedule of rates and charges wherein municipality is referred to as "distributor." Municipality shall pay for the power and energy supplied by Authority at the rates fixed in wholesale power rate schedule A. All payments shall be made to Authority at its principal office at Wilson Dam, Ala., or at such

other place as Authority may from time to time designate.

The payments to be made hereunder shall be made solely and exclusively from the revenues of municipality's electric system and shall not be a charge upon municipality's general funds.

It is clear from the last paragraph of this section that the municipality has "tied its own hands" with respect to the discretionary use of municipality's general funds.

Here is further evidence that a contract with TVA means submission to detailed dictation concerning the handling of municipal funds:

7. Disposition of revenues: Municipality agrees to dispose of its gross revenues from electric operations in the following manner:

(a) Revenues shall first be used for the payment of all current operating expenses, including salaries, wages, cost of materials and supplies, power at wholesale, and insurance.

(b) From remaining revenues municipality shall next currently provide for the payment at maturity of interest accrued on all system indebtedness, and for amortization charges and/or sinking fund payments thereon.

(c) Thereafter, revenues shall be used currently to set up reasonable reserves for replacements, new construction, and contingencies, and to provide a reasonable amount of cash working capital.

(d) From remaining revenues municipality may thereafter pay into its general fund a return on its investment, as provided in the financial and accounting policy in the schedule of terms and conditions attached hereto.

(f) All remaining revenues shall be considered surplus revenues and shall serve as a basis for the reduction or elimination of surcharges to consumers, and thereafter for the reduction of rates: *Provided, however,* That municipality may, subject to the consent of Authority, devote part or all of such surplus revenues to the purchase or retirement of system indebtedness prior to maturity. Surplus revenues shall be computed as of June 30 of each year.

This section, likewise, demands close adherence to TVA's pattern of municipal fiscal operations.

Section 11 contains the following, which probably best sums up TVA's dominant position:

In accordance with these principles, which are mutually recognized as of the essence of this agreement, municipality agrees to operate its electric system and to maintain its financial accounts and affairs in full and strict accordance with the provisions of this power contract.

Further in connection with this, municipality also agrees from time to time to supply TVA with any information it may reasonably request, including an annual report in such form as may be requested, to be submitted to TVA by September 1 of each year covering the transactions of the electric department for the preceding year ending June 30 and of the assets and liabilities of its electric department as of June 30.

Attached to and made a part of the typical power contract is itemized a Schedule of Terms and Conditions under 26 headings. This schedule, in addition to defining many of the technical terms, also sets up in more detail the practices to be followed in operating the

municipal electric system according to TVA standards.

We are presently confronted with the problem of constructing a new steam plant because of this sole-supplier contract. The city of Memphis is perfectly solvent, perfectly able to build its own steam plants. For that purpose it could issue most attractive tax-exempt bonds. But in so doing it would act in violation of its contract with the TVA. And here we are confronted with a dilemma. We might as well face it now while there is still time.

The dilemma is whether the United States Government is committed in perpetuity to supply a certain area of the Nation with electric power the income of which is virtually untaxed and the capital investment of which pays no interest—although the Federal Government is finding difficulty in financing its own credit at 3½ percent.

This is a question that every Member of Congress must answer to his constituents. He must tell the people back home that he voted for or against giveaway electric power to the people of other communities while their local power companies are forced by law to pay taxes, interest, and other normal free enterprise charges that are the cost of business.

There has been some talk of selling to a free enterprise corporation the power facilities of the TVA. Such a concept is an ideal but hardly practical. Interest-paying, taxpaying corporations just do not buy white elephants. It is entirely possible that the TVA is in Federal possession for all time to come.

It does not follow, therefore, that this Authority has a commitment from the taxpayers of your town and my town in perpetuity for further growth and expansion. I say let the people of Tennessee build their own additional power generating facilities.

It is the party line of the opposition to call this a giveaway Congress. And yet the opposition is attempting here to commit the Treasury to give away millions now and billions eventually.

Their giveaway story seems a bit inappropriate here.

Mr. JONES of Alabama. Mr. Chairman, will the gentleman yield?

Mr. DONDERO. I yield to the gentleman from Alabama.

Mr. JONES of Alabama. I know the consistency of my friend from Michigan in following a course of economy. Now let me pose this question to him: The gentleman said that TVA ran the private utilities out of that country.

Mr. DONDERO. Oh, I did not say that. I said you bought them out.

Mr. JONES of Alabama. Yes.

Mr. DONDERO. Which was another way of getting them out.

Mr. JONES of Alabama. It is not because TVA was there but because of a referendum of the people in which they voted and expressed themselves to acquire power from the Tennessee Valley Authority. TVA of itself is not the instrumentality by which we acquire the right to use TVA power. It is the local expression of the people themselves.

Mr. DONDERO. However, TVA does not permit its customers to buy power from other sources.

Mr. JONES of Alabama. There is not a utility in the United States that does not have similar terms and conditions in its contract. Neither the Edison Electric Co. nor the TVA could make an investment of millions and millions of dollars and have the will of the people violate that contract at their pleasure.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. ABERNETHY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I am one of those democratic Members of the House who, I think, can truthfully say that in my 11 years of service I have been reasonably nonpartisan and have approached at least 90 percent of the issues in a nonpartisan manner. I concede that there are times when I have been political. In this instance my remarks will be addressed primarily to my Republican colleagues. I shall not do so in a partisan manner or in an attempt to tell my Republican colleagues how they should vote on the pending issues. I simply wish to remind them of some things which were done and said last fall and then they may let their own consciences be their guide. As I address my remarks to my Republican friends I desire to have you take note of the fact that I am using your microphone as it would seem more appropriate, considering what I shall have to say.

We have been reminded several times this year that we had an election last fall. You on the Republican side have taken great delight in reminding the Democrats of such. Now, may I remind you of some things that were said and done during the campaign which contributed to the success of your ticket.

I hold in my hand the front page of the October 15, 1952 edition of the Memphis Press-Scimitar, a newspaper published in Memphis, Tenn., the largest city in the TVA area, and one of the largest and most progressive cities in America. It has a heavy vote which was constantly wooed by the Republican candidates. On this front page you see the picture of a big four-motored Eastern airliner which had just arrived at the Memphis airport with Ike aboard. This was made only an hour or so before he was to speak in historic DeSoto Park, near the Mississippi River front. The very first headline that appears under this picture is as follows: "TVA 'Looks O. K.' to Ike." This was intended to catch the eye of the people of this great city and section of the South and to assure them that above all things TVA would be safe and sound in his hands. The first paragraph of the news story simply announced that Ike arrived, then there immediately followed the soundoff on TVA.

Now, quoting from the second paragraph we find the following:

Ike told this reporter, who asked about his stand on the Tennessee Valley Authority: "It looks O. K. to me."

A short time after Ike made that statement he made an important campaign speech in DeSoto Park and devoted most

of his time to the two things which that section is mostly interested in, agriculture and TVA. Now let us see what he said about TVA, and I quote:

This region is deeply interested in the TVA, and in the part it has played in the improvement of agriculture and commerce in this area. TVA has served rural areas well and has created many new industries in this section. It has helped conserve natural resources, control floods.

Now, listen:

Certainly there would be no disposition on my part to impair the effective work of TVA.

The campaign went on for a couple of weeks and the Republican leadership of Tennessee as well as some of the Democrats who were supporting Ike suspected they had a chance to carry Tennessee into the Republican column. But they were not absolutely satisfied that Ike's speech on TVA would get the required votes. So the editors of the Memphis Press-Scimitar and the Knoxville News-Sentinel decided to send Ike a wire. They received a prompt response from Ike and published it along with their own wire on the front pages of their afternoon editions of November 3, 1952, less than 24 hours before the sun rose the next morning on election day. They naturally hoped that with this promise and solemn commitment on the part of their candidate, they would carry the State of Tennessee. They had every right to depend on Ike's reply and since he was their candidate and they were trying to get all the votes for him they could I do not blame them for publishing Ike's reply. Now, what did they say when they wired Ike, who was not then President Eisenhower but Candidate Eisenhower?

Let us read the messages and I quote:

DWIGHT D. EISENHOWER,

Care of Gov. Sherman Adams, Commodore Hotel, New York, N. Y.:

We editors of the two evening Scripps-Howard newspapers in Tennessee believe it is necessary that you issue a much stronger statement than you have in support of TVA.

You have an excellent chance to carry Tennessee and other Southern States. But TVA means much to these States and there is honest concern in the minds of the people as to how TVA would fare under a Republican administration.

It is unfortunate that these editors and others from that section could not have been here yesterday and today to witness the treatment which TVA is being accorded by Republican Members of the House. These editors did not know the half of it when they included that statement in their wire to Ike.

We ourselves as editors have no such concern. We are aware that the bulk of your party by their votes in Congress have shown that TVA is safe under a Republican administration.

I wonder; I wonder; I wonder. But let us go on.

We are also militant supporters of your candidacy. We think your election will be good for the South.

Again, I wonder.

We think it would be tragic if there was any misunderstanding to keep supporters of TVA, which is everybody in this part of the country, from also being supporters of Dwight D. Eisenhower.

Therefore, we urge that you make another statement, not only declaring a friendly attitude toward TVA, but a warm appreciation of what it has done and will be able to continue to do in the future, so that all would realize what we realize—that TVA will continue to prosper, and with it the people it serves, under your administration.

(By unanimous consent, Mr. ABERNETHY was allowed to proceed for 5 additional minutes.)

Mr. PHILLIPS. Mr. Chairman, will the gentleman yield?

Mr. ABERNETHY. I yield.

Mr. PHILLIPS. I just want to ask briefly: Did General Eisenhower say anything about giving something to Memphis that they could not get for themselves?

Mr. ABERNETHY. No, he just said he was going to give something to TVA, that is, such as it was entitled to—growth, progress, and all it needed to operate at maximum efficiency. There was no misunderstanding about what he would do. At least, then.

Mr. PHILLIPS. Did he say anything about giving \$17 billion?

Mr. ABERNETHY. No, I will read what he said. If the gentleman will just give me time, I will read what he said. I cannot yield further, Mr. Chairman. I am sorry. I do not want to be discourteous, honestly I do not, please permit me to continue reading—I have quite a bit to read and say.

Mr. BAKER. Mr. Chairman, will the gentleman yield?

Mr. ABERNETHY. Well, I am compelled to yield to my friend and distinguished colleague from Knoxville.

Mr. BAKER. Does the gentleman yield at this time?

Mr. ABERNETHY. Yes, I am duty-bound to yield, but I wish the gentleman would be brief as my time is so limited and I have so many things I wish to say, particularly with regard to what Ike said when he was a candidate.

Mr. BAKER. Do you not think in all fairness to this Congress that we in the TVA area should say to this committee that you have given us good treatment in comparison with the way other items have been cut in this economy move? They could have cut out John Sevier and Kingston steam plants. Do you not think we have had good treatment?

Mr. ABERNETHY. That is what I am coming to. I am coming to the treatment of the entire needs of TVA. May I have your further attention now, please, because these promises of your candidate regarding TVA get more interesting as we go along.

Ike then replied as follows:

NEW YORK, N. Y.

EDWARD J. MEEMAN,

Editor, Memphis Press-Scimitar:

Thank you for your telegram. Let me reiterate what I tried to make clear in my address at Memphis and Knoxville, that TVA has served well both agricultural and industrial interests of this region. Rumors are being maliciously spread in TVA areas that I propose not only to decrease the efficiency of the operation but to abandon it, which is grossly untrue and utterly false.

If I am elected President, TVA will be operated and maintained at maximum efficiency.

Now those were your candidate's words less than 24 hours before election day. His reply reads further as follows:

I have a keen appreciation of what it has done and what it will be able to continue to do in the future. Under the new administration TVA will continue to serve and promote the prosperity of that great section of the United States.

DWIGHT D. EISENHOWER.

Mr. GAVIN. Mr. Chairman, will the gentleman yield?

Mr. ABERNETHY. Mr. Chairman, I regret I must decline to yield at this time.

Mr. GAVIN. We have not objected to the gentleman getting additional time. Suppose we objected to you getting additional time?

Mr. ABERNETHY. Mr. Chairman, if I have time, I will yield.

It followed that the next day Ike got a tremendous vote in the Tennessee Valley and actually carried the State of Tennessee. Is it not only fair to assume that his vote down there very largely was attributable to his commitment on TVA?

Let us assume for the sake of argument only, that this committee has reported the bill in keeping with the pledges of candidate Eisenhower who received the votes of the State of Tennessee. Now, the gentleman from Pennsylvania, my good friend [Mr. GAVIN], a regular of the Republican Party, has most certainly stepped out of bounds and has violated, or attempted to violate, the very thing that his candidate stated to his supporters and would-be supporters, he would not do, and that is, destroy the TVA.

Mr. GAVIN. Mr. Chairman, will the gentleman yield now?

Mr. ABERNETHY. No, Mr. Chairman; I respectfully decline to yield just now.

Mr. GAVIN. Mr. Chairman, the gentleman mentioned my name. He has mentioned my name and the gentleman ought to yield; we have given him plenty of time.

Mr. ABERNETHY. Mr. Chairman, I regret I cannot yield now.

He would cut out the only new units provided for in this bill. He would permit no expansion at all of TVA. He would stagnate its progress and stagnation would mean eventual death. He would deny the TVA the very things which the President himself has recommended it should have.

Mr. Chairman, I would like to remind him of one other thing. He stated that it was a Democratic Congress which put the TVA into effect, and I concede it was. However, on two occasions prior to that time, Members of the Congress under Republican administrations voted not once but twice to create the Tennessee Valley Authority and it would have become a reality then had it not been vetoed on both occasions by Republican Presidents. When it finally did become a reality under Democratic rule, scores of Republicans joined Democrats in making it so.

Now, Mr. Chairman, I yield to my friend, the gentleman from Pennsylvania.

Mr. GAVIN. I just want to say to the gentleman that in quoting the President as to what he stood for, and I think he still stands for the TVA, I think the TVA has turned in a very creditable performance.

Mr. ABERNETHY. Now I wish to say one more thing.

Mr. GAVIN. If the gentleman will permit me to proceed, we have given him additional time, and we have listened attentively to him. The TVA as far as navigation and flood control and as far as land reclamation and reforestation and natural resources has turned in a creditable job.

Mr. ABERNETHY. The gentleman is agreeing with what I said, but he is just against the TVA generating power.

Mr. GAVIN. I have been here for 10 years.

Mr. ABERNETHY. I have been here for 10 years, too.

Mr. GAVIN. I have never uttered a word about the TVA in 10 years, but when you come along and get into steam powerplants that is a different proposition from flood control and reclamation.

Mr. ABERNETHY. I get the gentleman's point. He would just stagnate TVA, bar its progress and eventually choke it to death insofar as the generation of power is concerned.

Mr. GAVIN. And the President did not make any statement about steam power.

Mr. ABERNETHY. But he did not say he was against it.

Mr. GAVIN. Well, he did not say he was for it, either.

Mr. ABERNETHY. All right; you can call him up and find out.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. ABERNETHY. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. What does the gentleman think the people of Tennessee and that area thought he meant?

Mr. ABERNETHY. Of course everybody knows what he meant. It was well understood throughout the Tennessee Valley that Candidate Eisenhower had committed himself to the construction of steam plants. They felt that TVA would be in good hands under him and they had a right to so feel after hearing him speak and reading his last-minute election-eve telegram.

Mr. COTTON. Mr. Chairman, will the gentleman yield?

Mr. ABERNETHY. I yield to the gentleman from New Hampshire.

Mr. COTTON. I should like to ask the gentleman whether or not he thinks this committee in the report we made—he said perhaps he saw the light—does the gentleman think we did treat the Tennessee Valley Authority fairly or not?

Mr. ABERNETHY. I will say this, and I want to be fair. I think you gave it better treatment than I would ordinarily expect from a Republican Congress. I will say that. I am being honest about it.

Mr. COTTON. The gentleman is throwing down the gauntlet, then? Does he want a vote here on a party basis? Is that what the gentleman wants, or not?

Mr. ABERNETHY. Up to now, I have made my speech in opposition to the amendment of the gentleman from Pennsylvania [Mr. GAVIN].

Mr. COTTON. I will say to the gentleman that we leaned over backwards to be fair and to carry out our promises. If the gentleman wants to have a vote on this on a partisan basis, all bets are off.

Mr. ABERNETHY. That is for the gentleman and his colleagues to decide. One other thing, Mr. Chairman, and I am through.

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

(By unanimous consent (at the request of Mr. TEAGUE), Mr. ABERNETHY was granted 2 additional minutes.)

Mr. ABERNETHY. I began my talk by saying that it is not often that I get partisan. I have mentioned some things which were done and said during the campaign. They are facts, undisputed facts. On the basis of the solemn commitments made by the Republican candidate for President last year the people of the valley had every right to expect this Congress to continue the operation of the TVA at "maximum efficiency," to quote the exact words of the man who is now our President. If the amendment of the gentleman from Pennsylvania [Mr. GAVIN] is adopted I am sure that President Eisenhower would himself regard it as a violation of his pledge. Ike himself is for steam plants. His own Budget Bureau which is responsible for the so-called Eisenhower budget recommended the construction of two new steam-plant units and they are included in this bill.

Personally, I feel that in order to carry out the pledge which was made in Memphis, Tenn., that the Fulton steam plant should be started this fiscal year and the Cooper amendment should be adopted. I shall support the Cooper amendment and hope you will, too.

In all fairness—and let us be fair with ourselves, forgetting the Democratic and Republican Parties—this Congress has an obligation to TVA. It is fixed by law. The TVA belongs to and constitutes a part of this Government. It is the duty of the Congress to support it. The opposite is to ignore our duty, neglect it, or to put it another way, to choke it to death. I am afraid that is the treatment we are about to receive. If you want to choke it to death in the face of what Ike said down in Memphis, that is your privilege. Those are the only two courses open here today, support it to the extent that it may operate at maximum efficiency as the Republican Party committed itself or violate the commitment and choke it to death.

The CHAIRMAN. The time of the gentleman from Mississippi has again expired.

Mr. BAKER. Mr. Chairman, I rise in opposition to the Gavin amendment.

Mr. PHILLIPS. Mr. Chairman, will the gentleman yield to me for a unanimous-consent request, which time will not come out of the time granted the gentleman?

Mr. BAKER. I yield to the gentleman from California.

Mr. PHILLIPS. I suggest, on this noncontroversial measure, that probably another 20 minutes should fix it up, and I so request.

The CHAIRMAN. The gentleman from California asks unanimous consent that debate on this amendment and all amendments thereto close in 20 minutes.

Mr. PHILLIPS. With the last proportionate time being reserved to the committee.

Mr. SUTTON. Reserving the right to object, Mr. Chairman, I notice that there are four additional Members who want to talk on this amendment since your original request. I would suggest the gentleman change his unanimous-consent request to 30 minutes.

Mr. PHILLIPS. Twenty minutes would bring us up to the hour that was originally requested. Does not the gentleman think that this subject was exhausted yesterday? Could we not get the Members to read yesterday's RECORD?

The CHAIRMAN. The gentleman from California has asked unanimous consent that debate on this amendment and all amendments thereto close in 20 minutes. Is there objection?

Mr. MURRAY. Reserving the right to object, Mr. Chairman, would the gentleman from California [Mr. PHILLIPS] make it 30 minutes? There are some of us here from Tennessee who have not had the opportunity to speak on this.

Mr. PHILLIPS. I ask unanimous consent, Mr. Chairman, that all debate on this amendment and all amendments thereto close in 30 minutes, the last 3 minutes being reserved to the committee.

The CHAIRMAN. Is there objection? There was no objection.

The CHAIRMAN. The gentleman from Tennessee [Mr. BAKER] had been recognized before the time limit was fixed.

The gentleman from Tennessee is recognized.

Mr. BAKER. Mr. Chairman, my remarks will be brief, perhaps less than 5 minutes. They will be in no sense partisan. I am very fond of the gentleman from Mississippi, who just preceded me, and I am sure his intentions were good. But this matter is far too serious, certainly to the great seven-State area of the Tennessee Valley, to be treated facetiously, and I do not believe my friend, Tom ABERNETHY, meant it just that way, to throw out campaign promises and say that the Republican Party did not live up to them. I say to you, Mr. Chairman, and I am from Tennessee and the South, that I have supported TVA every time it has been before the House.

I think this subcommittee and this full committee have been fair, honorable, and just.

Everybody I have talked to at home, and the home of TVA is in my district, thank goodness, and I hope it will stay there. This afternoon I am going to make another speech on that subject. I have talked to people, business people, members of labor unions, representatives of industry. When these 2 steam plants,

1 at Kingston, which is only 10 miles from the atomic plant at Oak Ridge, and John Sevier, which is next door to the great Holston ordnance plant, were left in this bill by this Republican-controlled committee, those people saw that certainly the Republican Party and the Eisenhower administration did not mean to kill and shackle TVA. I am reflecting to you the views of the people I represent.

I am going to read to you a letter dated June 9, 1953, from Sherman Adams, administrative assistant to President Eisenhower. I saw it only this morning. It is on the White House letterhead, Washington, and is addressed to the editor of the Memphis Press-Scimitar, a Scripps-Howard paper:

THE WHITE HOUSE,
Washington, June 9, 1953.

Mr. EDWARD J. MEEMAN,
Editor, Memphis Press-Scimitar.
Memphis, Tenn.

DEAR MR. MEEMAN: Thank you for your letter of May 16, 1953, bringing to our attention the open letter to the President from you and Mr. Loye W. Miller, editor of the Knoxville News-Sentinel, urging the inclusion in the 1954 Tennessee Valley Authority budget of a \$30 million appropriation to initiate construction of a steam powerplant at Fulton, Tenn. The letter to the President states that this additional generating capacity is needed for natural growth and for a possible national emergency.

In developing the revised 1954 budget recommendations the need to provide energy to meet the natural load growth of the Tennessee Valley Authority was recognized. The national defense requirements were also carefully considered. Analysis of all available information indicated that continuation of work on some 35 units now under construction, as well as 1 additional unit at Kingston and 1 at John Sevier, would provide for a reasonable growth in powerloads of the area through calendar year 1956, including provision for appropriate operating reserves.

In view of the overall budget situation confronting this administration it was not possible at this time to include funds in the Tennessee Valley Authority budget for all possible contingencies which might occur in future years.

The estimates of power needs in the Tennessee Valley Authority area which may reasonably be expected to develop during the period from 1954 to 1956 and beyond will again be reviewed in connection with budget estimates for the fiscal year 1955 in order that action appropriate to the circumstances at that time may be taken.

Sincerely,

SHERMAN ADAMS.

The CHAIRMAN. The time of the gentleman from Tennessee has expired.

(By unanimous consent, the time allotted Mr. SUTTON was yielded to Mr. BAKER.)

(By unanimous consent, the time allotted Mr. JONES of Alabama was yielded to Mr. BAKER.)

(Mr. JONES of Alabama asked and was given permission to extend his remarks immediately following those of Mr. BAKER.)

Mr. BAKER. Mr. Chairman, I am sure that most of the Members have read the committee report, but here are the figures so that all of you will have them fully in mind: Roughly, \$174,600,000 is for continuing work on 34 generating units already under way. There was

\$47,800,000 for beginning construction of new facilities in the Truman budget, but this was revised by the Eisenhower budget to include approximately \$143,-600,000 for continuing work on the 34 existing generating units and approximately \$17,800,000 to start new facilities.

If and when it is proven to the satisfaction of the present administration that the Fulton steam plant is needed, I believe what is stated in this letter will certainly be carried into effect. It might come next year, and I sincerely hope it will. The information furnished to me is to the effect it is needed now. But many things are needed in this country that we cannot always provide at the particular moment. However, to stop completion of these two other steam plants in east Tennessee would be tragic, which would be the effect of the amendment offered by the gentleman from Pennsylvania. The Kingston plant is only 10 miles from the great war plants of the atom bomb at Oak Ridge. All of that power goes to Oak Ridge, plus power which comes from the Corps of Engineers. There are 8 units now and 1 unit is required to complete it. The funds for that one unit are in this bill today. There will be no more funds for that plant and the other plant in the district represented by the gentleman from Tennessee [Mr. REECE] is one unit only. We do urge that that be done.

Mr. GOLDEN. Mr. Chairman, will the gentleman yield?

Mr. BAKER. I yield to the gentleman from Kentucky.

Mr. GOLDEN. I would like to remark that in my district in Kentucky we have a great hydroelectric power plant built by the Government on the Cumberland River, at what is ordinarily called the Wolf Creek Dam, and all of that power is going into Tennessee to help operate the bomb plant. In addition to that, in my hometown in Pineville, the Kentucky utilities steam plant, operated by private industry, has a special line built into the bomb plant across the Tennessee line to supply power for the necessary development of the atom bomb. If we were to adopt the amendment offered by the gentleman from Pennsylvania, it would certainly be tragic, not only for the Tennessee Valley but for all the Nation.

Mr. BAKER. That is correct.

Mr. COOPER. Mr. Chairman, will the gentleman yield?

Mr. BAKER. I yield to the gentleman from Tennessee.

Mr. COOPER. In line with the observation made by the distinguished gentleman from Kentucky, I am sure my colleague from Tennessee will recall that from the best information available it appears that by 1955 all of the hydroelectric power of the TVA system will be required for the Atomic Energy Commission.

Mr. BAKER. There is no question about that.

May I just add one fact along that line and then I am through: The TVA is now supplying the Atomic Energy Commission over three times as much power in Oak Ridge alone as it did during the latter part of World War II. By the end

of next year the Oak Ridge requirement from TVA will be nearly 8 times as great as at the end of World War II, to wit, 1,700,000 kilowatt-hours. So these two units are for national defense and national security.

Mr. JONES of Alabama. Mr. Chairman, the TVA has established a magnificent record in providing for the power needs of the Tennessee Valley region. Since 1933, it has multiplied production of energy by 20 times to meet the growing use of power by the homes, farms, stores, and factories of this section of our Nation. It has made possible the electrification of over 90 percent of the farms compared with the less than 3 percent which had electricity 20 years ago. It has supplied very large quantities of electricity to establishments producing vital materials for the defense of the Nation—aluminum, chemicals, and ferroalloys to mention a few. It has furnished a fantastic amount of energy to the atomic-energy plant at Oak Ridge and this is to be almost tripled in meeting the expanded requirements of AEC both at Oak Ridge and Paducah.

This phase of TVA's regional responsibility has been carried out in an efficient and businesslike basis. The sale of the power has brought in sufficient revenues to cover its operating costs, depreciation of its plant, and in lieu tax payments to local governments. In addition, the revenues have been sufficient to earn a return of 4½ percent on the investment in the generation and transmission facilities, which are the only part of this power system owned by TVA.

In the face of this record of performance what does the present administration recommend for meeting the future power needs of the Tennessee Valley region? Please remember that any power-supplying agency, whether it is public or privately owned, is a natural monopoly in the area it serves. In this case TVA is the sole source of power supply to over 5 million people. Since use of electricity enters into almost everything one does, these people are relying upon TVA to take the necessary steps to provide the facilities in anticipation of their increased needs for electricity in 1956 as they add appliances in their homes and power-using equipment on their farms and in their factories.

TVA has a grave responsibility to these people whose future economic progress depends upon an adequate power supply. The TVA, upon whom this responsibility rests, determined that, in order to meet those needs in 1956, work should begin this year on the installation of four new steam units with a total capacity of 810,000 kilowatts. Do we find such a recommendation before us today? No. The committee has reported a bill which would start less than half that capacity in two units. We are told that TVA's views which are based on a long record of experience with the Tennessee Valley are to be ignored and other judgments are to be substituted. And you may ask whose judgments are considered superior to the men in TVA who are intimately

familiar with the need and who have a responsibility for being right. We are led to believe that the minions of the private power companies are to be relied upon. Of course, if their advice is followed, the consequences of having too little power will be borne by the people of the Tennessee Valley and elsewhere TVA will be charged with failure as a power supplier. Following the advice of these power company people is not much different from following Moscow's advice on the size of our Army.

We are told that if the committee's recommendation on capacity turns out to be low, TVA can secure the power it needs from neighboring private systems. What we have seen thus far is an effort to delude us into believing that such a course is available. But what are the facts? Mr. Wilson of the Mississippi Power & Light Co. indicated that his system would have to begin promptly to add new capacity if his company were to supply TVA with firm power in 1956. Not only that, he asks TVA to commit itself now and at the same time he is unwilling to tell TVA what he would charge for the power. We can only assume that he is stalling since a price quotation would make it crystal clear that it would be more economical to the Government to build its own plant at Fulton. This is an obvious trick to delude the uninformed into believing that such an alternative is practical.

If this Congress is to act responsibly on this matter which is so important to the region and to the Nation, we should not follow the will-o'-the-wisp suggestion of those who would destroy the TVA. We should rely upon the carefully developed recommendations of the TVA. We and the Nation are holding TVA accountable for a high standard of performance in supplying the power on a financially sound basis. They cannot be held accountable if the recommendation of the enemies of TVA are to be controlling.

The CHAIRMAN. The Chair recognizes the gentleman from Tennessee [Mr. MURRAY].

Mr. MURRAY. Mr. Chairman, I rise in opposition to the substitute amendment offered by the gentleman from Pennsylvania [Mr. GAVIN] and in support of the amendment offered by my colleague the gentleman from Tennessee [Mr. COOPER] in favor of an appropriation of \$30 million for the Fulton plant.

At the outset I wish to express my appreciation to the Committee on Appropriations and especially to the members of the subcommittee on this appropriation bill for their consideration. I appreciate what they have done for the Tennessee Valley Authority in the way of appropriations, and I am grateful for their kind consideration, but I wish they had done just a little more for TVA. I know that there are no finer gentlemen in the House than the members of the subcommittee who considered this appropriation bill, and they were most considerate in listening to the pleas of friends of TVA for adequate and sufficient funds for the TVA. They allowed us to have our day in court. They heard

all the witnesses in behalf of TVA that asked to be heard, but I wish they had gone a little further in helping TVA. However, I do appreciate what they have already done for us. I wish they had gone just one step further and included \$30 million for the Fulton steam plant and \$2,300,000 for the resources development program, which is one of the finest and most beneficial programs of the TVA. I am very grateful they did not use the meat ax on TVA.

Mr. Chairman, I am sure that the Members will not go along with the gentleman from Pennsylvania [Mr. GAVIN] in his amendment. I am confident that they will support the President and the Director of the Bureau of the Budget and the Appropriations Committee who propose that TVA be given sufficient appropriations to build two additional steam units at the John Sevier plant and the Kingston plant. Certainly, you are not going to fail to back up your Committee on Appropriations in that respect.

Now, I appeal to you to go one step further and give TVA an additional \$30 million as provided by the amendment offered by my good friend the gentleman from Tennessee [Mr. COOPER], which would authorize the construction of a new steam plant at Fulton, which is so badly needed, because in 1956, in the fall of that year, we will face a serious shortage in the Tennessee Valley region unless we can begin the construction of the Fulton plant this year.

It is estimated that in the fall of 1956 there will be a power shortage of 165,000 kilowatts in the valley unless Congress makes an appropriation this year for the construction of the proposed steam plant at Fulton in west Tennessee. There will be a period of 3 years from the time construction is begun on this plant until it can start the generation of power. The construction of the Fulton plant is a good, sound investment for the Federal Government as the United States Treasury will get back every penny of the money appropriated for building the plant. The people of the TVA Valley are not asking for any special grant or favor from the Federal Government in building this plant but are merely requesting our Government to advance the money for the construction of its own plant and in return the Federal Treasury will get every dollar paid back from the power revenues of the plant.

There has been a tremendous increase throughout the United States in the demand for electric power due to population growth, rapid strides in rural electrification, industrial expansion, and wide use of various electric appliances in the homes and public buildings.

The TVA is only asking for additional electric power to meet the growing needs of the region. No special favor is requested by the Cooper amendment as TVA must repay to the Federal Government all of the money that has been appropriated for its power facilities within a period of 40 years with at least one-fourth of the amount being paid every 10 years. Thus far the TVA has paid back into the Federal Treasury over \$60 million from its power reve-

nues. Today TVA is ahead of its repayment schedule. All of the money appropriated to TVA for power facilities will be paid back in full and, of course, the Federal Government owns all of the property and assets of the TVA corporation.

TVA has a natural power monopoly in the TVA valley and the people there have no other source of electric power, which is just as essential to the life and well-being of our region as blood supply is to the human body. The municipalities and the REA cooperatives in the valley have no other place to go for electric power except TVA, which has contracted with them to furnish adequate and sufficient power to meet their needs. I sincerely hope that Congress will not bring about a serious power shortage in the TVA region by reducing TVA appropriations each year. Unfortunately there are some greedy private-power lobbyists who would not only like to cripple but would absolutely destroy TVA. The operations of the TVA have helped financially other sections of our country as it has bought over \$665 million in equipment from other areas of the country outside of the South. The people of the valley have purchased \$1 billion worth of various kinds of electrical appliances which were manufactured in the North, East, and West. TVA is the only source of electric power for 6½ million people in an area of 80,000 square miles. I appeal to the Members to vote down the amendment of the gentleman from Pennsylvania [Mr. GAVIN], which would eliminate funds for the construction of the two additional units at John Sevier and Kingston steam plants, which have been recommended by our President and the Bureau of the Budget, as well as our Appropriations Committee, and I do hope that the Members will vote favorably for the amendment offered by the gentleman from Tennessee [Mr. COOPER], which provides for an appropriation of \$30 million for the construction of two units at the proposed Fulton steam plant in west Tennessee.

The CHAIRMAN. The Chair recognizes the gentleman from Tennessee [Mr. PRIEST].

(By unanimous consent, Mr. BAILEY yielded the time allotted to him to Mr. PRIEST.)

Mr. PRIEST. Mr. Chairman, I think this matter has been rather adequately debated yesterday and today. I rise at this time to support very strongly the amendment of our colleague, the dean of our delegation, the gentleman from Tennessee [Mr. COOPER], and to oppose with equal fervor the amendment offered by the gentleman from Pennsylvania [Mr. GAVIN].

A great deal was said on the floor yesterday and today about power needs across the country. I hold in my hand a copy of today's Wall Street Journal. One of the leading articles, appearing in column 8 on page 1, carries this headline: "Electric Utilities Chart 4-Year 50 Percent Boost in Generating Ability."

The subhead is: "End-of-1956 Capacity Will Be 2½ Times the 'Close-of-the-War Level—Appliances' Appetite Grows."

The first paragraph of this news story under a New York date line is as follows:

If you're worried about the business outlook, just talk to a few electric utility executives and let some of their optimism rub off on you.

I want to read just two other paragraphs from this story because I believe they are very significant, as they affect not only the amendment offered by the gentleman from Tennessee [Mr. COOPER] but the other amendment as well.

The country's power systems plan this year to install nearly 14 million kilowatts of generating capability at a cost of around \$4 billion, according to the latest survey by the Edison Electric Institute. That would boost national capacity by over 17 percent.

I now skip down to this paragraph:

The four companies which make up the big Southern Co. system—Alabama, Georgia, Gulf and Mississippi Power companies—plan to spend \$100 million this year for generating equipment and powerlines. That outlay will increase the system's capacity nearly 20 percent. "The companies anticipate greatly increased sales as a result of new customers and of increased requirements from existing ones," explains W. D. Ketchum, vice president of the system's service adjunct, Southern Services, Inc.

Mr. Chairman, I felt it important that we get this matter in perspective here. According to this story in the Wall Street Journal, the private utilities are planning a 50-percent boost in capacity over a 4-year program. Certainly I am grateful to the appropriations subcommittee and the full committee for the inclusion of the two units that are in the bill. If private utilities on a nationwide basis see the need of a 50-percent increase then how can anyone logically oppose expansion of the utility which Congress has told to serve the TVA area?

Mr. EVINS. Mr. Chairman, will the gentleman yield?

Mr. PRIEST. I yield to the gentleman from Tennessee.

Mr. EVINS. In view of the fact that the so-called Eisenhower revised budget represents a cut of more than \$65 million from the Truman budget for the power program, does not the gentleman feel that the Cooper amendment should be adopted?

Mr. PRIEST. I certainly feel that the Cooper amendment should be adopted, and that the amendment offered by the gentleman from Pennsylvania to strike out funds for the two units in east Tennessee, at Kingston and John Sevier, should be overwhelmingly defeated. I feel very strongly that there can be no sound basis for reducing this appropriation as proposed in the Gavin amendment, and I do not believe the House will approve his amendment.

I want to mention one matter that the gentleman from North Carolina [Mr. JONAS] mentioned this morning when he claimed the Fulton plant was an extension of TVA territory. It was emphasized, I believe, by the gentleman from Mississippi [Mr. WHITTEN], that this is not in any sense an expansion of the geographical territory served by the Tennessee Valley Authority. It is the utility for that area. The distribution system at Fulton and all around Fulton now dis-

tributes through a municipal distribution system the Tennessee Valley Authority power. So it cannot in any sense be an expansion of territory. It is simply, to repeat again what has been said many times, to enable this Authority to do this job that Congress has told it to do. I hope the Gavin amendment will be defeated and the Cooper amendment will be approved.

The CHAIRMAN. The Chair recognizes the gentleman from Tennessee [Mr. REECE].

Mr. REECE of Tennessee. Mr. Chairman, I shall not take the full time allotted to me. I wish to associate myself with the very splendid remarks of my colleague from the Second Congressional District of Tennessee. Also, I feel that I should compliment the people of the Second Congressional District for sending to Washington such an able and outstanding man as HOWARD BAKER who has gained the esteem and confidence of his colleagues so rapidly and has attained such a high position among them and who works so effectively for the interests of his State and district. I listened to his remarks with great interest. He portrayed the picture well and effectively. I also wish to commend the Committee on Appropriations for the objective study it made of the Tennessee Valley Authority, carrying out the objective viewpoint of this administration. None of us have felt that the people of the Tennessee Valley had anything to be concerned about so far as this administration is concerned. Everybody is interested in doing the right thing at the right time, and I have confidence that that kind of program will be carried out by this administration and by this committee under the direction of the able subcommittee chairman, the gentleman from California [Mr. PHILLIPS] and his associates.

The CHAIRMAN. The Chair recognizes the gentleman from North Carolina [Mr. JONAS].

(By unanimous consent, the time allotted to Mr. WILSON of California was granted to Mr. JONAS of North Carolina.)

Mr. JONAS of North Carolina. Mr. Chairman, I apologize for speaking twice today on this bill, but I do so in order to express my own personal views about the proposed steam plant at Fulton, Tenn. I would not have my distinguished friend from that district, Mr. COOPER, think there is anything personal in this. Goodness knows I have nothing against the people of Memphis, Tenn., or that area, but I have studied the basic act and I have carefully considered the testimony of the Tennessee Valley Authority officials when they came before our committee. I made a sincere and conscientious effort to try to justify in some way the expenditure of \$30 million this year to build a steam plant at Fulton, Tenn., knowing as I do that this involves an ultimate expenditure of \$90 million before the plant is completed. Let me tell you why I had my original misgivings about our authority to do that and whether it would be a wise thing to do. Let me read to you from the original TVA act. Here is what the Tennessee Valley Authority was authorized to do:

Shall have power to acquire real estate for the construction of dams, reservoirs, transmission lines, power houses, and other structures and navigation projects at any point—

Where?—

along the Tennessee River.

Where else?—

or any of its tributaries.

Mr. Chairman, Fulton, Tenn., is not on the Tennessee River. It is on the banks of the Mississippi River, 100 miles west of the Tennessee River.

It is not on any tributary of the Tennessee River. I hold in my hand a display for the members of the Committee. It is a front page from the National Tennessean of Sunday, May 17, 1953. I call attention to the fact that this newspaper, which is one of the proponents of the expansion of TVA activities, has depicted here in color the entire Tennessee Valley area. Let me point out to the members of the Committee where Fulton, Tenn., is. As shown on this map, it is right here on the banks of the Mississippi River. The Tennessee River is about 100 miles east of Fulton and the map shows that all streams in this area are tributary to the Mississippi, instead of the Tennessee.

Mr. COOPER. Mr. Chairman, will the gentleman yield?

Mr. JONAS of North Carolina. I yield to my friend, the distinguished gentleman from Tennessee.

Mr. COOPER. I just want to invite the gentleman's attention to the fact that all of the area that he mentions is served by TVA. It is the only source of power they have.

Mr. JONAS of North Carolina. May I correct the gentleman? There was testimony before our committee to the contrary. The testimony indicated that right at Memphis there is a private utility which connects with TVA from the South and other connections that TVA makes with a private utility from Arkansas. The TVA and the private utility in Arkansas jointly own or control a power crossing of the Mississippi River right at Memphis. Is that correct?

Mr. COOPER. That is an interchange system. Those two utilities, to which the gentleman refers, are not able to furnish the required power that is needed in this area where the Fulton steam plant is recommended to be constructed.

Mr. JONAS of North Carolina. May I correct that? The subcommittee received, dated June 12, 1953, a letter from one of those private utilities—I do not now recall the name of it—making a definite and specific offer to supply TVA with its power requirements in the Tennessee area. At what price? At a price to be fixed by the Federal Power Commission. It is just not according to the facts as they were established in our subcommittee, and I am anxious to be corrected if I am wrong, that there is no other source of power in the Memphis area except TVA power.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. YOUNGER].

Mr. YOUNGER. Mr. Chairman, I do not want to add anything or take the time to enter into this all-American interstate debate. I have had some correspondence with Mr. Ken G. Whitaker, a member of the information committee of the Tennessee Valley Public Power Association.

There has been quite a bit said about the taxes paid by the Tennessee Valley Authority to the local communities. This information that I want to give you was furnished by the information committee of the Tennessee Valley Public Power Association.

In 1937 the various companies that were taken over by the TVA in Tennessee paid \$2,799,000 in taxes. In 1951 they paid \$5,474,000, or a ratio between 1937 and 1951 of 2 times.

In the United States the public utilities during the same years increased their taxes to local authorities 2.3 percent; in Alabama 1.8 percent; in Georgia 3 percent; in Kentucky 2 percent; in Mississippi 3.7 percent; in North Carolina 2.3 percent; and in Virginia 3.4 percent.

As long as there has been so much conversation about the contribution or taxes by the TVA to local authorities, I thought the CONGRESSIONAL RECORD ought to have the facts.

The CHAIRMAN. The gentleman from Pennsylvania [Mr. GAVIN] is recognized.

Mr. GAVIN. Mr. Chairman, I wish to ask the chairman at this time whether it is not a fact that they are producing now in the Tennessee Valley more power than they are consuming.

Mr. PHILLIPS. Yes; that is correct.

Mr. GAVIN. It is a fact that they are producing more power in the Tennessee Valley than they are actually consuming.

Mr. PHILLIPS. They would have to; any utility would have to.

Mr. GAVIN. We hear statements from our friends here about how tragic it would be for the Tennessee Valley, if my amendment were passed. We hear about how we are shackling the TVA. The fact is we have pumped a billion and a half dollars down in the Tennessee Valley. What do you mean by shackling? What do you mean by tragic?

Mr. PHILLIPS. It is a billion three.

Mr. GAVIN. Well, that is all right; let us be specific, a billion, three. A million is a thousand thousand; and a billion is a thousand million. So we put over thirteen thousand million dollars down in the Tennessee Valley. I cannot understand the statement about shackling and tying. It is my opinion the TVA has been faring quite well at the expense of the American taxpayer.

Mr. TABER. Mr. Chairman, will the gentleman yield for a question?

Mr. GAVIN. I shall be pleased to yield.

Mr. TABER. Did you ever hear of anybody saying anything about TVA paying any interest on the money that it has?

Mr. GAVIN. No; and, what is more, they do not intend to, and remember, too, not alone interest free but tax exempt. I thank the gentleman for his contribution. Now let me return to my good friend, the gentleman from Mississippi [Mr. ABERNETHY], who, a moment ago, so dramatically presented to the Committee what President Eisenhower said—I wonder what my good friend from Mississippi was saying about President Eisenhower in the last campaign? It would be interesting to see some of his remarks about President Eisenhower before his election.

So, do not be intimidated by the gentleman from Mississippi about what President Eisenhower said. I am quite certain that in none of President Eisenhower's speeches did he state anything about tax-exempt steam powerplants down in the Tennessee Valley, because I am firmly convinced that that is contrary to President Eisenhower's philosophy of government.

Mr. PRIEST. Mr. Chairman, will the gentleman yield?

Mr. GAVIN. I have only 2½ minutes. My time is limited.

Mr. PRIEST. The gentleman will not yield?

Mr. GAVIN. Yes; I will have to yield to my good and able friend from Tennessee, whom I greatly admire, a gentleman who by his work in the Congress has won the respect and admiration of the Members on both sides of the aisle.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. GAVIN. I was just getting under way.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. PHILLIPS] for 3 minutes to close the debate.

Mr. PHILLIPS. Mr. Chairman, the real issue before us is whether or not the TVA, after the committee's suggestion of removing 2 powerplants that were to be the start of a whole new powerplant development, the building of 2 units to complete powerplants already started, whether under those conditions as expressed in our bill there will be power enough—that is whether there will be facilities enough to supply all the power needed in the next year.

Rather than refer to some newspaper in which somebody said something or did not say something, I will take a strictly nonpartisan reference.

The Office of Defense Mobilization, the Federal Power Commission, the Munitions Board, and the Defense Electric Power Administration are the authorities. I call these as my witnesses, Mr. Chairman, to indicate that after taking out these two plants we are talking about there will still be more power than the TVA, which has consistently over-

estimated its needs, needs in the next fiscal year. It runs as high, Mr. Chairman, as over a million kilowatts more than in the next few years than it will use. So when the proper time comes I will insert in the RECORD one of the least of these estimates, which is that of the Federal Power Commission.

Indicative of the general overestimating by TVA, are the following figures from the Federal Power Commission. It is understood that the TVA-estimated loads shown were made approximately 1 year prior to actual load shown for corresponding year. The figures are megawatts.

[In thousands of watts]			
Year	TVA estimated load	Actual load	Excess of estimated over actual
1941.....	1,550	1,111	439
1942.....	1,600	1,384	316
1943.....	1,775	1,540	235
1944.....	1,850	1,579	271
1945.....	1,600	1,430	270
1946.....	1,690	1,991	-301
1947.....	2,085	2,053	32
1948.....	2,270	2,364	-94
1949.....	2,700	2,336	364
1950.....	2,950	3,008	-58
1951.....	4,000	3,677	323
1952.....	4,900	4,121	779

The estimates from 1952 to 1956 are in another table.

Year	Estimated loads		Margin of capability above loads			
	DEPA ¹	TVA	Based on—		Based on—	
			DEPA load estimate	TVA load estimate	DEPA load estimate	TVA load estimate
			Under Truman fiscal year 1954 budget		Under revised fiscal year 1954 budget	
1952.....	4,430	24,121	-48	271	Same	
1953.....	5,452	5,450	463	465	Same	
1954.....	7,406	7,900	558	64	Same	
1955.....	8,194	8,900	1,802	1,097	1,716	1,010
1956.....	8,654	9,600	2,337	1,391	1,837	891

¹ DEPA states that the load estimates shown, made in March 1953, have been concurred in by representatives of the following agencies: Office of Defense Mobilization, Federal Power Commission, Munitions Board, and Defense Electric Power Administration.

² Actual.

The committee, Mr. Chairman, taking the recommendations of the Bureau of the Budget, thought if we had gone back we might have stopped the two, the John Sevier unit and the Kingston unit, or some of us did, but this is the completion of a power program that Congress had authorized. If we could turn the clock back, I would vote against all four units. In the case of the Fulton plant, that is a new powerplant 100 miles or more from the central area of the TVA. So it was the recommendation of the subcommittee that we should leave in, Mr. Chairman, the 2 units for John Sevier and for Kingston, and that we should not approve, that we should leave out, the 2 units for the new plant, the Fulton plant at Memphis. There has been nothing brought before the subcommittee since that time which has caused us to change our minds.

Each Member will vote as he pleases upon this amendment. I shall vote against both of the amendments that are pending at this time.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. PHILLIPS. I yield to the gentleman from New York.

Mr. TABER. The report says there is included in the bill \$17,800,000 to start construction on two new units. I did not understand that these units had been started at all.

Mr. PHILLIPS. The plants have been started. The units are to add to the plants already under construction to produce the power needed.

The CHAIRMAN. All time has expired. The question is on the substitute amendment offered by the gentleman from Pennsylvania [Mr. GAVIN] to the amendment offered by the gentleman from Tennessee [Mr. COOPER].

The question was taken; and on a division (demanded by Mr. GAVIN) there were—ayes 69, noes 153.

So the substitute amendment was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Tennessee [Mr. COOPER].

The question was taken; and on a division (demanded by Mr. SUTTON) there were—ayes 83, noes 154.

So the amendment was rejected.

Mr. ANDREWS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ANDREWS: Page 9, line 15, after the word "travel", strike out all of lines 15 through 22, including the word "further" in line 23.

Mr. ANDREWS. Mr. Chairman, in the original TVA Act of 1933, section 831 (G) of title 16 of the United States Code, subsection (A), reads as follows:

The Corporation—

Meaning TVA—

shall maintain its principal office in the immediate vicinity of Muscle Shoals, Ala.

Mr. Chairman, the language my amendment would strike from the bill prohibits the Board of Directors of TVA from moving their principal administrative offices from Knoxville, Tenn., to Muscle Shoals, Ala. I read you the original act, which stated that the principal office of TVA shall be maintained in the Muscle Shoals vicinity. You know that in law the word "shall" is mandatory.

There are many reasons why the Board of Directors of TVA should be permitted to move those offices from Knoxville to Muscle Shoals. Let me read to you excerpts from a statement made by Mr. John Oliver, General Manager of TVA,

to our committee. He was speaking for himself as general manager as well as for the Board of Directors. Under the law, the Board of Directors is charged with the duty of performing the duties of the Corporation. This is what he said:

This is not an abrupt or hastily considered change of residence of members of the Board or the general administrative offices. Fourteen years ago the Board of TVA, after an exhaustive study of all the factors concerned, concluded that it could serve the region best by moving its administrative offices to Muscle Shoals where its legal headquarters are located by act of Congress.

Although the Board's decision to move has never been a secret, the actual date of moving has been postponed repeatedly because of national emergencies which prevented the use of materials necessary to carry out the plan. Those postponements have given the Board many opportunities to review its decision, and each year the evidence piles up that the decision of 14 years ago was a good one and has been too long delayed. Knoxville is not now a suitable location for the Board and central management of TVA.

At Muscle Shoals the Board of TVA will be nearer to the capitals of 3 of the 4 States where TVA's principal activities are concentrated.

I should like to state as emphatically as I can that the Board has only one purpose in this move. It has not been guided by its own convenience or by the convenience of its staff. Its single purpose is to place itself and its administrative staff where they can serve the region best.

We are aware that since the announcement of this move there have been many protests from the commercial and real-estate interests of Knoxville. This is entirely understandable, and we do not complain because they have exercised their right to criticize and protest. But the TVA Board has a job to do, and it is under a heavy obligation to do its job in the most effective way possible. Neither its personal convenience or the pressures of local interests, or even the preference of its employees, can be controlling when sound management dictates that a job can be done better for the region as a whole by working at one place rather than another. The responsibility of the TVA Board for such decisions cannot be delegated to local groups or the local press.

The CHAIRMAN. The time of the gentleman from Alabama has expired.

Mr. ANDREWS. Mr. Chairman, I ask unanimous consent to proceed for 3 additional minutes.

Mr. PHILLIPS. Mr. Chairman, reserving the right to object, I ask unanimous consent that debate close on the pending amendment, and all amendments thereto, in 20 minutes reserving a proportionate amount of time only for the committee.

Mr. REECE of Tennessee. Mr. Chairman, will the gentleman yield, if it does not come out of the time of the gentleman from Alabama [Mr. ANDREWS]?

Mr. PHILLIPS. Mr. Chairman, I ask unanimous consent that this time not be deducted from the time of the gentleman from Alabama [Mr. ANDREWS].

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. REECE of Tennessee. Mr. Chairman, the gentleman from Alabama [Mr. ANDREWS], sponsor of the amendment, will have consumed 7½ or 8 minutes when he concludes. The other chief party at interest is the gentleman from

Tennessee [Mr. BAKER]. I wonder if the gentleman from California would not be agreeable to amending his request to make it applicable after the gentleman from Tennessee has concluded his remarks.

Mr. PHILLIPS. I think that I can yield my time to him, the gentleman from New Hampshire can yield his time, which I believe will satisfy the gentleman from Tennessee.

The CHAIRMAN. The Chair recognizes the gentleman from Alabama [Mr. ANDREWS].

Mr. ANDREWS—

The move will place the Board, with its managerial staff, closer to the places of its work and its future developmental problems.

The key factor responsible for the success of TVA's program operations to date is the fact that TVA's management service employees have kept close touch with the people actually doing the job in the field. The location at Muscle Shoals is better for this purpose than Knoxville.

The move will increase internal operating efficiency.

It will bring together under 1 roof staffs now scattered about in 5 different buildings in Knoxville and 1 in Chattanooga. Communication between staffs will be better, coordination of work made easier.

The Shoals area is well located from the standpoint of TVA's work.

It is a central point on the river; 259 river miles from the mouth, 371 from the head of navigation at Knoxville. As I stated earlier—it is closer to Nashville, the capital of Tennessee, than Knoxville, whether one goes by highway, by rail, or by air. When one travels from Knoxville to Memphis on the Southern Railroad, he passes through Muscle Shoals. It is 34 air miles closer to the geographical center of the State of Tennessee than Knoxville—and as I stated earlier, 125 air miles closer to the center of the TVA power service area.

These figures mean less time spent in getting from headquarters to the jobs in the field; a saving in time means a saving in money and improved performance of the work.

We do not believe the impact on the community life of Knoxville will be as grave as some are now suggesting, nor that the addition of a few hundred persons to the tricities area will prove too great a problem for those communities to handle.

Mr. Chairman, those are the statements of the General Manager of the TVA, speaking for himself and speaking for the Board of Directors. It simply means this: It means that the Board of Directors, the men who are charged by law with the duty of operating the business affairs of the Corporation tell you that they want to make a move from Knoxville to Muscle Shoals. They want to move their administrative offices from Knoxville to Muscle Shoals because of the fact that it will put them in the center of their activities. They can consolidate employees who are now in 5 buildings into 1 building. They can do their job more effectively and more efficiently.

I respectfully ask that you vote for my amendment and make it possible for the directors to make that move.

The CHAIRMAN. The Chair recognizes the gentleman from Tennessee [Mr. BAKER].

(By unanimous consent, Mr. COTTON and Mr. PHILLIPS yielded their time to Mr. BAKER.)

Mr. BAKER. Mr. Chairman, I rise in opposition to the amendment to strike the following language from the bill:

Provided further, That no part of funds available for expenditure by this agency shall be used, directly or indirectly, to acquire a building for use as an administrative office of the Tennessee Valley Authority so long as the amount appropriate annually for the construction of power facilities exceeds the amount deposited annually in the Treasury for repayment of the investment of the Federal Government in the power facilities of the Authority.

I would like to first reply to the remarks of my distinguished colleague the gentleman from Alabama [Mr. RAINS] who severely criticized the Subcommittee on Independent Offices and the full committee for placing this language in the bill and for invading the province of legislative committees.

Under the Tennessee Valley Authority Act of May 18, 1933, whether rightly or wrongly, no legislative committee of the Congress has jurisdiction of TVA. The Appropriations Committee is the only committee of this House which does have jurisdiction to in any way regulate the conduct of the affairs of TVA.

The Tennessee Valley Authority Act authorizes the building of dams, steam plants, and many other things. Section 27 of the act provides:

All appropriations necessary to carry out the provisions of this act are hereby authorized.

However, as broad as the Tennessee Valley Authority Act is, a careful reading discloses that even the 73d Congress reserved unto the Congress of the United States certain powers, rights, and duties with respect to the Tennessee Valley Authority, among these being the requirement that the agency make complete annual reports to the President and to the Congress. The Comptroller General of the United States audits the transactions of the agency. The agency must come to Congress for appropriations and, on page 4, line 11, of the TVA Act appears the following very significant reservation of power in the Congress:

Provided, That any member of said Board may be removed from office at any time by a concurrent resolution of the Senate and the House of Representatives.

I shall discuss other pertinent provisions of the TVA Act if time permits.

On March 12, 1953, representatives of TVA appeared before the subcommittee and outlined in detail TVA's plans, needs, and requirements for the next fiscal year. They did not tell this subcommittee or intimate that 2 days before, on March 10, 1953, the agency, acting through a purported agreement signed by one John I. Snyder, Director, Division of Property and Supply, had undertaken to enter into a contract with one Wallace S. Pitts, Sr., of Montgomery, Ala., purporting to obligate TVA, as was revealed in testimony before this subcommittee, to pay to Pitts over a period of 20 years the sum of \$8,835,056

for occupancy on a lease-purchase arrangement of a 7-story office building to contain 120,000 square feet of usable space and to be erected by Pitts at Muscle Shoals, Ala.; nor did they reveal to the subcommittee that they planned to move 500 families out of Knoxville, Tenn., to Muscle Shoals to carry on this headquarters.

A few days later the General Manager of TVA announced in Knoxville that it was moving headquarters to Muscle Shoals. The announcement in part is as follows:

TVA will do everything it can within the limits of its authority and consistent with sound management to help employees get relocated. TVA will work with the Muscle Shoals community to get school, transportation, and other facilities expanded if necessary. Decisions on housing, of course, must be made finally by each individual.

This announcement was almost like the dropping of an atom bomb on the city of Knoxville. I received hundreds of telegrams and letters from TVA employees, civic groups and citizens of Knoxville and east Tennessee protesting this action. Most of these 500 families own their homes in Knoxville. They have been there for 20 years. They have engaged in civic work, community chest work, church work. They do not want to move to Muscle Shoals.

It is perfectly apparent if this action is carried into effect, an acute housing shortage will exist in the little village of Muscle Shoals, which has about the same population as my home town, about 1,500 people.

I even had a letter from a 9-year-old girl saying she did not want to leave her playmates in Knoxville.

On March 23, I dispatched a telegram to Mr. Gordon R. Clapp and the other two directors of TVA from which I quote:

Strongly urge you to reconsider proposed action moving administrative offices TVA from Knoxville to Muscle Shoals. I feel that you will render great service to TVA by reconsidering your recent action.

I received a reply from Mr. Clapp dated April 2, 1953, from which I quote:

This replies, perhaps tardily to your letter urging the TVA Board to reconsider its decision to move to Muscle Shoals. In our view the decision of where the TVA Board hangs its hat within the valley is one the Board is peculiarly fitted to make. * * *

You will understand why we who have a responsibility to this region and not just to Knoxville are becoming more and more concerned about the time-consuming dimensions this detail of TVA housekeeping has become for our major officials. All of us, without exception, are working desperately to persuade those who have decisions to make about our budget that this region needs more capital finance for additional power supply on the TVA system. One would suppose that this would be considered important to the people of Knoxville, but if our officials are much longer diverted over the question of where the TVA Board is going to have its office desks there will be little time for us to be persuasive with anybody about meeting the additional power requirements of Knoxville and other parts of this region.

In almost the words of the late Will Shakespeare, "Upon what meat hath

this little Caesar fed to grow so fat?"

There is no logic, no economic justification for moving headquarters to Muscle Shoals, Ala. A mere glance at the map of the gigantic power generating and distribution system shows that nearly all of the industries, the power-generating facilities, the defense plants, and the customers, present and potential, lie to the north, the west, and the east of Muscle Shoals. Persons who might want to consult the Board of Directors or executive officers of TVA from Kentucky, North Carolina, and nearly all parts of the system would have to travel much farther than to Knoxville. In the case of most of the Kentucky customers this additional distance would be between 200 and 300 miles.

For example, 865,000 of TVA's electric customers are in Tennessee; 143,000 in Alabama. There are 14 major TVA dams in Tennessee; 3 in Alabama; 9 steam plants in Tennessee; 3 in Alabama. TVA's income from power in Tennessee is approximately 5 times as much as in Alabama.

I would like to call special attention to a provision of the alleged agreement entered into by Snyder and Pitts. TVA proposes to declare surplus 30½ acres of land located in Colbert County, Ala., on the Wilson Dam Reservation to advertise this land for sale at public sale. Pitts agrees to initially bid \$26,000, then if anybody else bids, Pitts will raise the bid up to \$60,000, and if he has to pay anything in excess of \$26,000, TVA will reimburse Pitts. This agreement violates the spirit and I contend the letter of all laws pertaining to public advertising.

On May 7, 1953, the Honorable Joseph M. Dodge, Director of the Bureau of the Budget, dispatched the following telegram to Mr. Clapp:

The report of the first independent offices appropriation bill of 1954, on page 21, questions the transfer of the administrative offices of the agency from Knoxville, Tenn., to Muscle Shoals, Ala., and the acquisition of the building to be constructed at Muscle Shoals through a lease purchase contract with the builder and requests that no further action be taken by TVA at this time.

It also states that the matter is being studied by the committee, and the committee proposes to submit a recommendation concerning the matter at the time appropriations for TVA are considered.

Under these circumstances you are instructed to delay any action in this matter in connection with contracts and construction until the subject has been resolved to the satisfaction of the Congress.

If headquarters remain in Knoxville the rent would amount to \$4,856,000 in 20 years. The Government would save \$4 million. It would cost more than \$200,000 to move the agency and personnel to Alabama. I urge that this amendment be defeated.

Mr. REECE of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. BAKER. I yield.

Mr. REECE of Tennessee. The gentleman from Tennessee [Mr. BAKER] referred to the land-purchase contract and a reimbursement above \$26,000 should anyone else bid. It would be a violation of law as well as of the duty of the board to make a provision like that, it would seem to me.

Mr. BAKER. There is no question at all in my mind about that. It is absolutely imperative to stop this movement. Why did they not tell the subcommittee what they were going to do? I tell you I do not like it, and the people of our country do not like it. We do not like the way they went about it. I wish I had time to review the whole matter, but my time is up.

The CHAIRMAN. The Chair recognizes the gentleman from Alabama [Mr. JONES].

(Mr. ROBERTS and Mr. ELLIOTT asked and were given permission to yield their time to Mr. JONES of Alabama and to extend their remarks at this point in the RECORD.)

Mr. ROBERTS. Mr. Chairman, the language of the appropriation bill with respect to the headquarters would simply prevent TVA from acquiring a building "as an administrative office." The committee report, however, interprets that language in relation to the recent proposal and states "that no steps should be taken to move the office personnel located in Knoxville to a new location. The phrase in the committee report is, of course, much broader than any previous discussion would prompt. As I understand it, the opposition was to the removal of the Board and general administrative offices. Would it be possible to have it made clear in debate that the committee report is not intended to hold every person now employed in Knoxville, regardless of economy and efficiency?"

For example, the bill eliminates funds for resource development. That will release space owned by TVA in Norris and a little in Muscle Shoals. It will release space now rented in Knoxville and Chattanooga. It seems unlikely that the committee would wish to force TVA to continue renting space in Knoxville by preventing the removal of, for example, one of the engineering divisions out to Norris, where TVA-owned space will become available, or to prevent readjustments of space and personnel as between Chattanooga, Muscle Shoals, and Knoxville where space will be released.

In the reorganization which will follow the loss of the resource development program individual employees might be denied promotions and even continued employment if the Board of TVA is not free to make the kind of small changes in station which must be constantly made in an organization the size of TVA.

Mr. ELLIOTT. Mr. Chairman, I rise in support of the Andrews amendment to strike out the proviso in this bill prohibiting the TVA from moving its offices to Muscle Shoals, Ala., as the law provides. I want to reiterate what I said about this matter during yesterday's debate. It is most regrettable that the Congress has seen fit to allow itself to become enmeshed in the corporate functions of TVA to the extent that this bill prohibits TVA from discharging its responsibility under the basic law creating it 20 years ago. That law said the offices of TVA "shall" be at Muscle Shoals, Ala. The Board of Directors has attempted to move those offices to Muscle Shoals. This bill prohibits them from doing so. Our Republican friends have a majority

on the subcommittee on independent offices of the House Committee on Appropriations. They have a majority on the full Committee on Appropriations. They have a majority in this House. They can keep this proviso which prohibits TVA from moving its offices to Muscle Shoals in this bill if they desire.

But, Mr. Chairman, I submit that the matter of which political party has a majority of the membership of this House should not determine where the TVA offices will be located.

We can best resolve this question by adopting the amendment striking out the proviso in this bill.

The CHAIRMAN. The gentleman from Alabama [Mr. JONES] is recognized.

Mr. JONES of Alabama. Mr. Chairman, this is not a question between the State of Alabama and the State of Tennessee; this is not a question between Muscle Shoals, Ala., and Knoxville, Tenn.; nor is it a question of the Congressman of the Eighth Congressional District of Alabama against the Congressman of the Third Congressional District of Tennessee; it is a question with which I would like to reason with you for a few minutes.

In the first place, you will recall, as has so often been stated on this floor, that the original act provided that the headquarters of the Tennessee Valley Authority should be located in the vicinity of Muscle Shoals, Ala. Due to the tremendous amount of work required in the upper area of the Tennessee Valley in the early days after TVA's creation it was desirable for TVA's administrative offices to be located at Knoxville for the period when this program of dam construction was carried out in the upper reaches of the tributaries of the river to provide flood control and navigation on the main stem of the river. During that early period the expected move to Muscle Shoals was delayed, and later the extraordinary circumstances of war and the Korean situation prevented the board from carrying out their long-contemplated plan to move to the Muscle Shoals area.

In recent years TVA officials reviewed the situation again, and after a close study and analysis as to how the Board and central management could more effectively, more efficiently, and more economically carry out their activities in the region and save the taxpayers' dollars, they once again determined that it was time for them to move to the Muscle Shoals area, where they could more efficiently serve the entire region. They made an agreement to rent a building to be constructed by private enterprise at Muscle Shoals and over a 20-year period the rental payments would amortize the cost of the new building which would house all of the activities of the general offices which are now dispersed in some 6 or 7 buildings throughout the city of Knoxville, and in Chattanooga.

I wonder why TVA's plan for economy is disregarded by those who have attested their faith in bringing about efficiency and economy in Government? I wonder why they turn their backs upon

the earnest pleas of a public official who plans to bring about economy and efficiency in Government? That is the issue here. So I appeal to you this afternoon, in thinking about this matter, not to resolve it on the basis of politics, not to resolve it upon the grounds of geography but to resolve the question on the wisdom, which requires statesmanship, of saving the taxpayers of this country money, and they are entitled to that, and to prevent waste in the use of the Federal money.

My good friend from Tennessee [Mr. BAKER] says that there is no appropriate legislative committee to which questions involving TVA may be referred. However, the gentleman from Tennessee is the author of a bill to accomplish the very same thing that is provided in this bill, which was referred to the Committee on Public Works and has been in that committee for several months. Why can we not let the legislative committee make a complete investigation of the allegations made by the responsible officials of TVA rather than to have the Congress write it in an appropriation bill? This question has not been considered by a legislative committee. The Reorganization Act did not destroy the ability or the availability of a legislative committee to consider this problem.

I hope that the Andrews amendment will prevail and that we will let the decision of the board of directors of TVA remain unimpaired for if we are to assume the responsibility and obligation of determining every decision they make, we will have destroyed its integrity and its usefulness to the people of this country.

The CHAIRMAN. The Chair recognizes the gentleman from Tennessee [Mr. REECE].

Mr. REECE of Tennessee. Mr. Chairman, it is well established that to move the headquarters to Muscle Shoals will cost, over a period of years, some \$4 million more than it will to remain at Knoxville. In neither the annual report of the TVA nor in its appearance before the Committee on Appropriations was any reference made to the question of the desire to move to Muscle Shoals, which should have been the case, especially in view of the increased cost for headquarters alone. Then you have an additional cost for housing units for more than 500 families.

Some question has been raised about this being in the heart of the TVA activities. Here is a map that my colleague from North Carolina exhibited to the House a few minutes ago. Here is the Tennessee Valley extending from Muscle Shoals north and northeast. Muscle Shoals is on the extreme southwest corner of the TVA area. There are 14 dams in Tennessee and only 3 in Muscle Shoals. There are 18 plants in Tennessee and only 3 in Muscle Shoals, counting those under construction. There is an investment of \$478 million in Tennessee, only \$157 million in Alabama. Eight hundred and sixty-five thousand people are served by the TVA in Tennessee and only 143,000 in Alabama. It is on the extreme southwest-

ern periphery of the Tennessee Valley area.

The CHAIRMAN. The Chair recognizes the gentleman from Mississippi [Mr. WHITTEN].

Mr. WHITTEN. Mr. Chairman, I am not affected by this matter but I would like to point out to you what I think is a grave mistake on the part of the Committee on Appropriations. The reason you have the TVA set up as a Government corporation is so that they can have the latitude in operating the agency that you have in any corporation. It so happens that our friends on the left, the Republicans in charge of the committee this year, have 5 votes to 3 on the subcommittee. They have granted power units for the districts represented by our Republican friends, the gentleman from Tennessee [Mr. BAKER] and for the district represented by the gentleman from Tennessee [Mr. REECE], and they will generate more power in that area. On the Memphis end of the district they refuse such new generating plant and will lose lots of power carrying it from Knoxville over there. Not only that, but they have written a provision that you cannot move the offices away from Knoxville, which is not in the center of the district. It does not affect me where it is, but what, if in the next Congress, the Democrats are in control? So, they write a provision that you may move it to Alabama. Then 2 years later, if the Republicans come back, they say move it back to Knoxville. That is an unsound approach for the Congress to start writing into the law where you are going to move the offices of a Government corporation. Now I have gone over the facts and I have listened to the presentation of the facts by my friends from Alabama who have studied this thing closely, and their statement and the statement of the TVA itself is that it is much more economical and it would save money to be in Alabama. But, our friends on the left say that is not true. I am not passing on those facts, but I do say for the Congress to write legislation as to where you switch these offices is uneconomic and will cost you money in the long run. I hope the amendment of the gentleman from Alabama will be adopted.

The CHAIRMAN. The Chair recognizes the gentleman from Alabama [Mr. SELDEN].

Mr. SELDEN. Mr. Chairman, I rise in support of the amendment offered by my colleague from Alabama.

After evaluating the testimony given in the committee in favor of this transfer, I am convinced that the transfer of administrative offices from Knoxville to the Muscle Shoals area will be in the best interest of Federal Government economy and at the same time will bring about more efficiency in the operation of TVA.

It is of importance to note that the original TVA Act passed in 1933 provided that the administrative offices of TVA be located in the vicinity of Muscle Shoals, Ala. The law also provides that the affairs of the TVA be administered by a Board of Directors. These provisions are in direct conflict with what

the Appropriations Committee is attempting to have done today; that is, the insertion of a provision into an appropriations bill which would, in effect, prohibit the transfer of administrative offices as recommended by the Board of Directors of the TVA.

In accordance with these two provisions of the TVA Act I have just mentioned, the Board of Directors has been contemplating moving its headquarters to the Muscle Shoals area for almost 14 years. Their decision to transfer the headquarters was arrived at after an exhaustive study of all factors concerned, and it was the opinion of the TVA Board 14 years ago that the TVA would serve its area best by moving its administrative offices to Muscle Shoals where its legal headquarters are already located by an act of Congress. After 14 years, this move is still being recommended by the members of the TVA Board. The moving date has been postponed repeatedly, however, because of national emergencies.

This spring the TVA Board of Directors set in motion the machinery necessary to bring about this long-contemplated move. On March 10, 1953, the Board entered into a lease agreement for the building necessary to make a move possible. This lease agreement provided that a building was to be constructed by the lessor at his expense and that the TVA was to lease this building for a period of 20 years at an average rental of \$264,178 per year. At the end of this 20-year period, the building was to become the property of the United States Government without further payment. In addition, the Government had the option at any time to buy the building at the base price, less the amount of cost amortized through rent on a 4-percent amortization basis.

This proposed transaction will undoubtedly save the Government money over a 20-year period. I understand the Bureau of the Budget has interposed no objection to the proposed move. On the other hand, the Federal Government has nothing to gain economically by continuing to rent office buildings in Knoxville. In Knoxville and Chattanooga the Government is paying an average yearly rent of \$242,000. As long as the TVA headquarters are located in these rented buildings, TVA will continue to pay this rent.

It has been estimated that the proposed building at Muscle Shoals will cost in the vicinity of \$5¼ million if paid for on the 20-year lease basis. It is my understanding that this figure includes all costs except maintenance. It must be understood, however, that this amount will not be an initial outlay of \$5¼ million by the Federal Government for a building. Leased space in Knoxville and Chattanooga will be given up and space provided at Muscle Shoals. The rent being paid today at Knoxville and Chattanooga that will be saved by moving to Muscle Shoals amounts to approximately \$242,000 per year. The building at Muscle Shoals will be paid for at an annual average rent of \$264,178 over a 20-year period. At the end

of the 20-year period, a building valued at over \$3½ million will be owned by the TVA. If Congress fails to support the amendment offered by my colleague from Alabama, approximately the same amount will be paid as rent in Knoxville, and at the end of 20 years TVA will have nothing to show for the expenditure of this large amount of money.

Besides the fact that the TVA could acquire its own building at a yearly cost only slightly more than the amount now being paid, there are other significant reasons for moving the headquarters to the Muscle Shoals area.

Transfer of the headquarters to Muscle Shoals would bring together under one roof staffs now dispersed in Knoxville. Communication between staffs would be better and the coordination of work made easier. The Shoals area is well located from the standpoint of TVA's work. There the TVA Board would be nearer to the capitals of 3 of the 4 States where TVA's principal activities are concentrated—Nashville, Tenn.; Montgomery, Ala.; and Jackson, Miss. By any mode of transportation, Muscle Shoals is closer to Nashville, the Capital of Tennessee, than is Knoxville itself. Muscle Shoals is located at a central point on the Tennessee River. It is 34 air miles closer to the geographical center of the State of Tennessee than Knoxville, and it is 125 air miles closer to the center of the TVA power service area.

If this amendment now pending is considered on its merits, I, frankly, cannot see how the House could possibly fail to adopt it. I therefore urge my economy minded colleagues on both sides of the aisle to assist in its passage.

The CHAIRMAN. The Chair recognizes the gentleman from Mississippi [Mr. ABERNETHY].

Mr. ABERNETHY. Mr. Chairman, the question of where the board of TVA should maintain its administrative offices is not a fight between the States of Alabama and of Tennessee. It is a question of whether this House is more interested in economy and efficiency than it is in satisfying the age-old greed of the spoilsmen for a payroll. As my good friend and colleague, the gentleman from Alabama [Mr. JONES] pointed out so forcefully on this floor yesterday, the report of the committee is strangely silent on reasons why it would force the board of TVA to remain at a location which testimony before the committee clearly demonstrated is no longer the best location for its work.

Are we proposing here to reward the city of Knoxville for some special quality that city possesses? Are times so hard in Knoxville we must guarantee it certain payrolls in perpetuity? If we do so guarantee, it will be something new for TVA and for the Tennessee Valley. For 20 years, TVA employees have been stationed at points from which they could do their work most economically and efficiently. As the work requirements have changed, they have been moved from one location to another. Last year, for example, over 700 of TVA's permanent employees were shifted from one location to another within the valley—not for their personal conven-

ience—not because some town asked for a special payroll, but because the requirements of the work demanded it.

Never before has it been proposed that this agency be operated on the principles of a modern-day WPA.

While the bill before us and the committee report fail to give any reasons for this proviso, statements were read in the general debate yesterday which deserve comment. The impression is left that this move represents an overall expansion of activities, the establishment of an additional headquarters. This is not the case, as testimony before the subcommittee made clear. What the board of TVA has proposed to do is to consolidate, under one roof, certain members of its staff now housed in scattered buildings at locations ill-suited to their work. Much has been said of the cost of acquiring and occupying the new building for a period of 20 years. But those who feel that maintenance of a payroll in Knoxville is more important than governmental economy and efficiency or the needs of the Tennessee Valley have said little of the costs of keeping these people in Knoxville.

My friend the gentleman from Tennessee [Mr. SUTTON] told us yesterday of the number of dams in Tennessee, the value of investments in that State, the number of power consumers. TVA has not proposed to move the Tennessee dams and steam plants, or even the operating headquarters of the power system. This headquarters will remain in Chattanooga because Chattanooga remains a good location from which to direct the day-to-day operations of the power system.

TVA has not proposed by this move to render less efficient service to the power consumers of Tennessee, but better service—better service because the overall direction of TVA activities can better be performed from the new location.

The facts of geography are against my friends who argue for this provision of the bill. The plain facts are that Muscle Shoals is closer to most points in Tennessee than Knoxville. It is closer to the geographical center of the State than Knoxville, it is closer to the capital city of Nashville than is Knoxville, and it is 125 air miles closer to the geographical center of the power service area than is Knoxville. The great central warehouse and service center for the power system is located, not in Knoxville, on the eastern edge of the system, but on the reservation at Muscle Shoals. It was located there, not because somebody demanded a payroll, but because Muscle Shoals was a better location for this facility.

This is not a fight between Tennessee and Alabama. It is an issue between the Tennessee Valley and the spoilsmen of Knoxville, between the taxpayers of the whole country, who have an interest in the efficiency of TVA management, and local interests which would pervert this great enterprise to their own narrow ends.

I am unable to follow the logic of the committee in the formula set up in this bill. I gain the impression from the committee report and from statements

on the floor that Muscle Shoals may very well be a better, more efficient location for the TVA Board, and perhaps when Congress no longer appropriates money to the agency TVA ought to move to Muscle Shoals. Meanwhile we are told it should stay where it is. Should we be less interested in economy and efficiency because the taxpayers' money is going into this enterprise? And I fail to follow the logic of those Tennessee Congressmen who support this proviso. They express faith in the ability of the TVA Board to spend wisely the funds we appropriate to that agency. They are confident of the Board's ability to anticipate the power demands and to build wisely to meet that demand, but they are unwilling to accept the Board's judgment as to where it ought to be located to best direct this work.

If this rider stays in the bill it will be serving notice on every agency of Government that so far as this Congress is concerned economy and efficiency in operations are to go out the window and the only consideration in Government administration is politics.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. GWINN].

Mr. GWINN. Mr. Chairman, I rise in opposition to this amendment.

I call the attention of the House to the patent fact that this is the 20th anniversary of the birth of TVA. After witnessing the debate and at times even the wrangle in this House over the continued life of this socialistic experiment, I wonder how many of us would like to plan our individual businesses on the basis of what Congress might do year after year from now on with regard to power in the Tennessee Valley.

The people down there under private enterprise had 20 companies supplying power in the Tennessee Valley. These companies had salesmen on the road inducing the people to buy power. They had a surplus. Today the Governor of Tennessee writes us—

The people of my State are deeply disturbed about their future electric power supply. Yes, our people in the Tennessee Valley live in dread.

Let us face the fact that ownership of the means of production of electricity in the hands of the Government as advocated by Marx is unsatisfactory. People cannot depend on Government management as a basis for making their plans. TVA for that reason is an unreliable source of power and an incredible burden to the taxpayers besides. Let us not build a new \$7 million office building and landscape a 30-acre showplace for TVA. Let us dispose of TVA. Let private enterprise which is a reliable source take over, and supply the power. It will pay taxes too instead of living on Government subsidies. As the gentleman from Mississippi indicated, we ought to do either one thing or the other. Tennessee lives in dread and uncertainty.

The CHAIRMAN. The Chair recognizes the gentleman from Kentucky [Mr. GOLDEN].

Mr. GOLDEN. Mr. Chairman, I rise in opposition to the amendment.

In addition to letting this Government in for an additional and useless expenditure of in excess of \$4 million and undertaking to supply housing for 500 families, the fact remains that two-thirds or maybe three-fourths of the business of the Tennessee Valley Authority is now in the State of Tennessee. If we permit this move to be made to the extreme corner of the Tennessee Valley district and move 500 employees down there, who is going to pay the traveling expenses for these people to come back into Tennessee to attend to their official and legitimate business?

Further, one of the greatest installations in the history of the world, the atom bomb plant at Oak Ridge, Tenn., is being supplied with power by the Tennessee Valley Authority. That is in east Tennessee. That is where most of the work of this Authority lies. I can see no sense in now sending the principal office down to Alabama, where we have very little work to do.

In my opinion, if this move of headquarters is permitted from Tennessee to Alabama, more and more useless expense will be recurring from year to year and officers and employees of the Tennessee Valley Authority will be moved away from where most of their duties require them to be. The amendment should be defeated.

The CHAIRMAN. The time of the gentleman from Kentucky has expired. All time has expired.

The question is on the amendment offered by the gentleman from Alabama [Mr. ANDREWS].

The question was taken; and on a division (demanded by Mr. ANDREWS) there were—ayes 33, noes 114.

So the amendment was rejected.

Mr. JONES of Alabama. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. JONES of Alabama: On page 9, line 5, after the word "appropriations" insert ", and an additional sum of \$2,377,000 for resource development."

Mr. JONES of Alabama. Mr. Chairman, this item was contained in the original Truman budget and the Eisenhower budget. It was deleted from the bill, and its deletion leaves no money for the resource-development work to be carried out by the Tennessee Valley Authority.

Mr. PHILLIPS. Mr. Chairman, will the gentleman yield?

Mr. JONES of Alabama. I yield.

Mr. PHILLIPS. There is a small item in the bill.

Mr. JONES of Alabama. There was \$20,000 budgeted from corporate funds, and the total amount for the work was \$20,000, in addition to the amount of \$2,377,000, to come from appropriated funds.

Let me tell you what the resource-development program includes. It includes the work in agriculture, forestry, tributary watershed work, minerals research work, and reservoir development, which includes stream pollution work, recreation and allied activities. It includes industrial development assistance, topographic mapping, and analyses of

regional development. All of these activities are included in the \$2,377,000. These are the funds by which TVA joins local communities, States, counties, and municipalities in cooperative programs to conserve and better utilize the natural resources of the valley region. In the beginning TVA spent approximately 75 percent of the total amount expended to carry out this work in the valley. Today it is spending approximately 34 percent. In carrying out these works, the local people have assumed responsibility that was once on the shoulders of the Federal Government. The whole program is a demonstration of what cooperative action can mean. In the agricultural resources development work TVA has budgeted \$250,000. This is the work that is carried out through the land-grant colleges and the extension services in unit test demonstration farms in small watersheds, in the use and application of the high-grade fertilizers produced at the Muscle Shoals chemical plant.

In addition, the program helps to disseminate knowledge of what has been accomplished by the land-grant colleges in the carrying out of these unit demonstration projects.

For forestry development, there is a request for \$654,000. Do you realize that TVA has propagated over 350 million trees for planting in that area to protect the Federal investment and to reduce soil erosion and the washing away of the soil and the filling of the reservoirs?

There are at present 16 million seedlings growing in two forest nurseries at Clinton and Muscle Shoals which are to be distributed this fall. This work cannot continue unless these funds become available. There is \$719,000 in the budget for work in tributary watersheds. These watershed development programs are as vital as any watershed works for which we make annual appropriations in any section throughout the entire country.

Mr. ELLIOTT. Mr. Chairman, will the gentleman yield?

Mr. JONES of Alabama. I am glad to yield to the gentleman from Alabama.

Mr. ELLIOTT. Does this appropriation bill make any provision by way of legislation or in any other way for the disposition of the 16 million pine tree seedlings that are now growing in the Tennessee Valley nurseries for distribution, for planting this fall and winter on eroded lands within the Tennessee River drainage area. It is regrettable not to provide for their distribution.

Mr. JONES of Alabama. The only funds available for all these activities are \$20,000. So I do not see how the work can be carried out.

Mr. PHILLIPS. Mr. Chairman, will the gentleman yield?

Mr. JONES of Alabama. I yield to the gentleman from California.

Mr. PHILLIPS. I am sure the gentleman has heard of the United States Forest Service?

Mr. JONES of Alabama. Yes. They are working in connection with this program. And so are the local forest agen-

cies and the fire protection works that are going on.

Mr. PHILLIPS. Why do not they do it, then?

Mr. JONES of Alabama. Local agencies are increasing their share of the total activities, Mr. PHILLIPS. Do not deny them TVA's leadership and assistance completely.

Mr. PHILLIPS. Is that not a complete answer to the gentleman's question?

Mr. JONES of Alabama. I do not think so. I think this work by TVA, dollar wise, is being decreased. But the work by local agencies is on the increase.

The gentleman knows as well as I that this has been a very favorable type of program, one which is being adopted and one which is being carried forward in the Civil Functions Appropriations Subcommittee and in the Agricultural Appropriations Subcommittee. The value of this type of work is widely recognized. But in the Tennessee Valley instead of having 35 agencies of the Government carrying it out, you have one agency. It has been a splendid example of rational organization for watershed work, other agencies could well emulate what has been accomplished by the TVA.

The complete elimination of TVA's resource-development program as proposed by the Appropriations Committee is one of the most shortsighted and self-defeating actions which has ever been proposed to any Congress. The committee has marked for destruction some of the most hopeful, the most fruitful, the most promising activities carried on by any Government agency. The committee is attempting to destroy the very activities which are designed to build up the strength of State and local agencies and to help them to handle problems of their region with minimum assistance from the Federal Government. The long-run effect of the cut, if sustained by Congress, can only be to create new problems and new areas of dependence on Federal aid and support.

The special quality of the TVA which has made it a symbol of hope throughout the world is that it represents a unified and decentralized approach to the development of natural resources. The TVA approach depends not on an army of Federal employees in the field, but on drawing together all of the State and local assets of leadership and strength for the solution of regional and local problems. The expenditures which are involved here are not for direct action programs by the Federal Government. They are almost entirely for work involving cooperative relationships with State and local agencies. They involve activities in which every dollar of Federal funds is multiplied many times with the funds and the time and the effort of the peoples and the agencies of the region. The TVA and the Tennessee Valley have made this method work in fact. Total public funds, including Federal-aid funds, expended by State agencies in the region to build up the resource base have increased from \$8½ million in 1934 to \$51 million in 1950. The States provided less than two-thirds of the total

in 1934 but nearly three-fourths of it in 1950. While much progress has been made, the Tennessee Valley still lags considerably behind the rest of the Nation economically. There is much more to do. This is the very kind of thing that Congress should encourage. This is the very kind of strength at the grassroots which the Republicans profess to want to build up. This is the very kind of alternative to Federal direct-action programs which the Republicans recommend. It is impossible to reconcile this proposed budget action with the stated aims of the Republican Party and its leadership.

TVA is a symbol both of full use of our natural resources and of reliance on the development of local initiative and enterprise. That is why it is, among all of the agencies in the United States, the most respected and emulated throughout the world. The action of the House committee would mean the destruction of a great resource development concept.

This country has had many other water-control agencies. It has tried many approaches to develop and protect its great river basins. But today, while Great Falls, Mont., and Sioux City, Iowa, begin to clean up the destruction wrought by the rampaging waters of the Missouri a few days ago, the towns and farms of the Tennessee are going about their normal jobs, secure in a valley whose river has been safely harnessed by the TVA—a single agency responsible for the unified development of all its resources. And while AEC, in its new plant at Paducah, looks vainly across the Ohio River for electric power promised months ago by five private utilities which are still trying without success to get a steam-electric-generating plant running at Joppa, it is already receiving large amounts of power from TVA's Shawnee plant, which was originally scheduled for completion 3 months after the Joppa plant.

The difference between other methods of basin development and the TVA method has been that the TVA project was motivated by a grand design to make the fullest possible use of the program for the people of the region and the country and to achieve these values primarily through the agencies and the people of the region. The committee has now undertaken to deprive TVA of the small amount of money required to achieve these objectives. The action may save the Federal Government \$2 million now, but in the years and generations to come we shall have to foot the bill, and it will be very high. If Congress should sustain the cut, we would be betraying the future generations who must rely on us to plan, not only for the development and husbanding of our natural resources but also for the utilization of the great reservoirs of human initiative and strength which lie in the people and institutions of the various regions of this country.

If we kill off today by adoption of the committee recommendation the most fruitful experiment in resource development this country has ever known, the RECORD should be clear that responsibility for the action lies with the Republican Party.

The CHAIRMAN. The time of the gentleman from Alabama has expired.

Mr. JONES of Alabama. Mr. Chairman, I ask unanimous consent to proceed for 3 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

Mr. MASON. Mr. Chairman, I object.

Mr. PHILLIPS. Mr. Chairman, I rise in opposition to the amendment.

Mr. HALLECK. Mr. Chairman, will the gentleman from California yield to me?

Mr. PHILLIPS. I yield to the gentleman from Indiana.

Mr. HALLECK. I have asked the gentleman to yield in order that I might make a statement about our hopes in respect to the conclusion of action on this bill and the program for the rest of the week.

The Mutual Security Authorization Act has been reported. The report is available. A rule has been granted providing for 5 hours of general debate. It is necessary that that Authorization Act be enacted finally into law before the appropriation in respect to MSA can be made. So there is urgency about it.

It is my hope—I should say more than a hope. I think I should say now that we shall stay in session this evening as long as is necessary to complete the reading of this bill for amendment. If there are any record votes having to do with amendments or a motion to recommit, or on passage, they will go over until tomorrow. If, this evening, it could be arranged that we could adopt the rule on the MSA Authorization Act, I should like to have that done.

Then tomorrow we will take up the Authorization Act for MSA, with the idea of concluding general debate, and thus be in a position to read the bill for amendment on Friday.

I should hope that we may get unanimous consent to convene as early as 11 o'clock at least tomorrow and Friday, if that be deemed necessary to conclude action.

The legislative appropriation bill is ready. That likewise should be disposed of as quickly as possible. If it does not take too long, we might be able to work it in along with the MSA Authorization Act.

Also the bill for wheat to Pakistan has been reported. A rule will be granted. However, I hope that we can shorten the time on that so that we may conclude that measure.

If that work cannot be concluded by Friday night it will be necessary for us to meet on Saturday, because these are measures that must be disposed of quickly.

The principal reason for my rising at this time was to suggest that it is highly desirable that we conclude the reading of this bill for amendment this afternoon.

Mr. PHILLIPS. If the gentleman will yield, if I understand the gentleman from Indiana, we are going to finish this bill this afternoon.

Mr. HALLECK. Down to the final voting stage.

Mr. PHILLIPS. And if we do not finish it this afternoon, the House will have to meet Saturday; am I right?

Mr. HALLECK. The House may have a session on Saturday anyway; but in any event if we cannot conclude this bill this afternoon the whole timetable as I have outlined it will be upset.

Mr. PHILLIPS. Mr. Chairman, under those circumstances I move that all debate on the section dealing with the Tennessee Valley Authority close immediately.

The motion was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Alabama [Mr. JONES].

The question was taken; and on a division (demanded by Mr. JONES) there were—ayes 46, noes 101.

So the amendment was rejected.

The Clerk read as follows:

General operating expenses: For necessary operating expenses of the Veterans' Administration, not otherwise provided for, including expenses incidental to securing employment for war veterans; not to exceed \$6,000 for newspapers and periodicals; not to exceed \$2,675,720 for expenses of travel of employees; and not to exceed \$43,700 for preparation, shipment, installation, and display of exhibits, photographic displays, moving pictures, and other visual educational information and descriptive material, including purchase or rental of equipment; \$193,531,000: *Provided*, That no part of this appropriation shall be used to pay in excess of 26 persons engaged in public relations work: *Provided further*, That effective September 1, 1953, no part of any appropriation shall be used to pay to educational institutions for reports and certifications of attendance at such institutions an allowance at a rate in excess of \$1 per month for each eligible veteran enrolled in and attending such institution.

Mr. TEAGUE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. TEAGUE: Beginning on page 10, line 22, strike out "*Provided*, That no part of this appropriation shall be used to pay in excess of 26 persons engaged in public relations work: *Provided further*, That effective September 1, 1953, no part of any appropriation shall be used to pay to educational institutions for reports and certifications of attendance at such institutions an allowance at a rate in excess of \$1 per month for each eligible veteran enrolled in and attending such institution."

Mr. TEAGUE. Mr. Chairman, this is a perfect example of an appropriations committee writing something into law, changing a bill written by a legislative committee, without hearings, any investigation, or asking questions of anyone.

Last year we passed the so-called Korean GI bill. We had 2,000 pages of testimony. A lot of this testimony was in reference to reimbursing colleges because of the number of reports we asked them to make. We had considerable testimony on that subject.

Mr. Lawrence Lundeen, comptroller and treasurer of the University of Minnesota, made an exhaustive study of this and he came to our committee and said that the minimum amount they could make these reports for was \$1.62. The amount agreed on finally was \$1.50 per month for each veteran.

STATEMENT OF LAURENCE R. LUNDEN, TREASURER AND COMPTROLLER OF THE UNIVERSITY OF MINNESOTA

I am Laurence R. Lunden, treasurer and comptroller of the University of Minnesota. I appear to offer testimony on legislation having as its purpose the extension of educational benefits to veterans of the armed services. I do so as chairman of the joint committee of business officers representing the Association of Land-Grant Colleges and Universities, and the National Association of State Universities. This committee consists of major ranking business officers of colleges and universities that are members of the two associations named. All come from publicly supported institutions of higher education that offered educational opportunities to a very large proportion of veterans availing themselves of the benefits of Public Laws 16, 346, and related acts. In view of this, I believe that the opinions of the members of the committee are derived from a working knowledge of the program that has been in operation for the past several years. When I use the first person pronoun, I do so in a collective sense.

You have heard or will hear the statement presented by Dr. Lewis Webster Jones, president of Rutgers University, on behalf of the Association of Land-Grant Colleges and Universities. This statement, with which I am in full accord, is significant in the consideration of any legislation relating to the extension of educational benefits to veterans. Indeed, because of its length and comprehensiveness, it serves admirably as a backdrop for the much shorter, but nonetheless meaningful, statement comprising section 102 of H. R. 6425, which says:

"The Congress of the United States hereby declares that the veterans' education and training program created by this act is for the purpose of providing vocational readjustment and restoring lost educational opportunities to those service men and women whose educational ambitions have been interrupted or impeded by reason of active service in the Armed Forces during a period of hostilities and for the purpose of aiding the veteran in attaining the educational and training status which he might normally have aspired to and obtained had he not served his country."

Our institutions in the past have felt the impact of veteran enrollment to a greater degree than any other type of institution in the field. When I tell you that enrollment in my own institution rose from 10,000 in 1945-46 to a peak of 28,000 in the fall of 1948, you will appreciate that I know the full meaning of the word "impact." Experience in other land-grant institutions has not been dissimilar.

The legislative proposals seem to follow three patterns. One, typified by H. R. 5896, would, as I understand it, continue the program established under Public Law 346 and related acts without modification. We know well this pattern and are prepared to suggest certain modifications that would in our opinion make for more efficient and economical operations. The second pattern, best illustrated by H. R. 5040, represents a fairly radical departure from the present program. It contains features that are both desirable and undesirable from our point of view. A third pattern, best described by the provisions of H. R. 6425, is the most radical departure from the present program of all the proposals that have come to my attention. There is a fourth possible pattern, not yet embodied in any legislative proposals so far as I have been able to ascertain, that suggests itself if one views H. R. 5896, H. R. 5040, and H. R. 6425 in that sequence and with emphasis on the evolutionary character of the underlying philosophies. I should like to comment on each of the three aforementioned bills and then, with your permission, develop very

briefly the fourth possible pattern to which I have made reference.

In the foregoing language I have made reference to the phrase "evolutionary character of the underlying philosophies." It is only fair that I explain what I mean by this abstract term.

Under the present program, and it should be remembered that I am speaking for only that portion of it that relates to publicly supported institutions in the field of higher education the veteran enrollee has occupied, and continues to occupy, a unique position on the campus. He is essentially a third party to a highly complex contractual arrangement between the Veterans' Administration and the institution of his choice. His tuition and fees are paid for him and he never sees the money; his books, supplies, and equipment are furnished to him after rather elaborate certification and authorization procedures have been followed, and he never sees the money. He is aware of many restrictions involving freedom for selecting educational objectives and the like. He knows, if he is typical, that he is essentially a commodity on which can be hung one of four different price tags. He is never permitted to forget that he is a veteran.

The provision of H. R. 5040 restores to the veteran many of the characteristics of the nonveteran enrollee. Under the provisions of this proposal the veteran would procure, as any other student, essential books, supplies, and equipment from the incremental allowance attaching to his subsistence checks. No longer would he queue up at the Bureau of Veterans' Affairs; he would be entitled to a market basket in which there were 5 books, 2 erasers, a ream of paper, and 5 pencils of assorted colors; and then proceed to a designated on- or off-campus store to receive the basket upon receipt containing conditions of dire consequence should he have made any misrepresentation. Under the provisions of H. R. 5040 the veteran, within the limits of his own resources, would secure the articles which to him are essential in the pursuit of his education. This is not only sensible and economical but is psychologically good for the veteran. H. R. 5040 would also permit the veteran sufficient independence to present himself as any other student to the bursar's window and pay a part of his own tuition and fees. Thus, H. R. 5040 would restore considerable independence of action to a veteran.

We have seen from the foregoing how we might remove the veteran in part from complete regimentation to one of partial independence. H. R. 6425 goes one step further. It places money in the hands of the veteran so he can now buy all his books, supplies, and equipment, pay his own tuition and fees, and—except for some limitations such as changes in educational objectives—may go about the campus as any nonveteran student. There are some exceptions to this, however, but for the most part the veteran student is pretty much on his own and there is little occasion to remind him that he is a veteran and that decisions will be made for him by others. This is evolutionary in character. Evolutionary processes will not have been completed, however, until we have gone one step beyond what H. R. 6425 provides. That step is the fourth pattern to which I referred and to which I will return in my comments shortly.

As we contemplate new legislation, I believe we should recognize the changes that have occurred since the enactment of Public Law 346 and its related acts. When the program as originally authorized gained full momentum, more than 1 million veterans came to institutions that were inadequately equipped in terms of staff and physical plant to permit immediate adjustment. Additional staff had to be recruited, new classroom and laboratory space had to be built, and administrative procedures had to be changed in a most radical

fashion. All of this was costly to the institutions and to the States supporting them. That is why so much emphasis was placed on the bases of reimbursement permitted under the law and implementing regulations.

The numbers of veterans who will come to institutions of higher education under any form of new legislation are likely to be less than 25 percent of the peak reached in the spring of 1947. In the meantime, additional members of staff have been trained and recruited, additional permanent classrooms and laboratories have been constructed, and the veteran population is small relative to total enrollment. Therefore, to put it bluntly, it is now possible from a fiscal point of view to look upon the veteran in exactly the same light as we look upon any other student.

Manifestly, this was impossible when the veteran population was up to two-thirds of total enrollment.

If the Congress were to favor such a measure as H. R. 5896, I would hope that there would be many changes brought about either by legislation or by regulation directed by legislative intent. For example, I would most earnestly ask that an adjustment be made in subsistence. This would result in great economy to the Federal Government. It would also remove one of the many possible sources of contingent liability on the part of institutions. I was appalled at the implications of the Solicitor's ruling relative to the Government's right of recovery against institutions having their own book stores. Special attention is given this in the report of the House Select Committee To Investigate Educational, Training, and Loan Guaranty Programs Under the GI Bill (pp. 153 and ff.).

It is reassuring to read what the committee said relative to the Solicitor's finding. The discussion concludes with the paragraph:

"In summary, it appears that this recent interpretation of the Solicitor which attempts to hold the schools technically liable for constructive notice of an actual cost policy dating back to 1944, when, in fact, no such policy was in effect or advocated until some years later, is a breach of every type of good faith that responsible government should stand for in dealing with any segment of its citizenry. This action in the closing stages of the program appears to be suspiciously close to accomplishing by retroactive administrative fiat that which the Veterans' Administration failed to accomplish by clear and timely regulation in the beginning. This committee—especially in the light of the tremendous expenditures involved in providing education under the Servicemen's Readjustment Act—is inclined to be sympathetic to reasonable policies which pare the cost of the program; however, it cannot agree with tactics which are anything less than forthright, equitable, and just."

A nice question to ask at this point is just where publicly supported institutions would secure the funds with which to make refunds if demanded. No one with the slightest knowledge of college and university finance would long be in doubt as to the absurdity of the claim and the impossibility of its fulfillment. Yet this is illustrative of the type of rulings and interpretations applied retroactively that have kept so many university officials in a constant state of uncertainty and apprehension. It also goes a long way toward explaining our desire to deal with the veteran as an individual rather than continuing to operate under complex and changing regulations of one Government agency and interpretations of another.

I would also ask that attention be given to the optional bases of reimbursement presently in effect. Publicly supported institutions, practically all of which are among the lowest in tuition brackets, have been dis-

criminated against since the inception of the program. They have also suffered greatly among their constituents as a result of the use of the term "nonresident tuition" when used as a basis for reimbursement for veteran enrollees who are residents of the State in which the institution using that option is located. Privately supported institutions have been able to charge tuition and fees in any amount without limitation so long as such tuition and fees were customary. Publicly supported institutions, on the other hand, were limited to \$500 per veteran per academic year if tuition and fees were anything but customary. At my own institution, customary tuition and fees cover approximately 25 percent of the total cost of instruction. The so-called nonresident tuition, together with customary fees, covers approximately 50 percent of the total cost of instruction. With the heavy influx of veterans and with a budget fixed for a biennial period by the legislature, my institution had no other alternative than to elect one of the other optional bases of reimbursement. For a brief period we used the so-called cost basis, but because of our increasing awareness of the potential liabilities lurking in this arrangement either through revised regulations applied retroactively by the Veterans' Administration or foreseen interpretations of existing regulations by the General Accounting Office, we adopted the nonresident tuition arrangement. But even here there was an absolute limitation of \$500 per student per academic year, with the result that in many areas costs exceeded \$500 by substantial amounts, with the university absorbing such overages. Thus, I feel that there should be but one basis of reimbursement and that based on the true cost of instruction, reflecting not only what the present formula allows but general university costs, administrative costs, physical plant costs, and salary costs directly supplementary to instruction.

Much could be said about the manner of computing costs of instruction. Much has been said about the formula now in use. There is only one further comment that I want to make at this time relative to any formula. The Association of Land Grant Colleges and Universities urges with all the emphasis possible that if a cost-of-instruction formula is adopted, that Public Law 571 will continue in full force and effect. This measure forbidding the Administrator to deduct Morrill-Nelson and Bankhead-Jones funds from the estimated cost of teaching as he attempted to do was enacted by the 81st Congress over the objections of the Veterans' Administration and the General Accounting Office. Public Law 571 is significant for several reasons, among them being reaffirmation of congressional intent as a guiding factor in administering legislation as well as reiterating the principle of the inviolability of endowments established by the Congress.

I can well imagine the unhappiness that would come to privately supported schools if they were to undertake the work involved in applying the cost formula used by the Veterans' Administration. Admittedly it involves a great deal of work and is costly as a result. However, publicly supported schools have had to go through all of this work even though not on a cost-of-instruction basis. The formula had to be applied to justify the use of the nonresident tuition rate. I submit that simple equity calls for uniform treatment among colleges and universities. I could add to this list of proposed changes, but it is my hope that the World War II program will not become the pattern for this new generation of veterans.

H. R. 5040 does remove tuition differentials within an institution. Since the num-

bers are likely to be small relative to what they were in the late 1940's, I do not interpose any objection to this. I am happy that provisions are made for the veteran to procure his own books, supplies, and equipment. I regret that our institutions would still find it necessary to bill the Veterans' Administration periodically for 50 percent of the tuition and fees involved. Splitting the bill rendered the veteran is in itself burdensome and costly. Preparing and submitting vouchers is time-consuming and costly. Audits are burdensome and costly. I assume that it is not necessary for me to belabor the point that a cash-and-carry business is more economical to carry on than one involving the extension of credit. However, if the sponsors of H. R. 5040 feel that there is merit in this arrangement, I believe that some form of reimbursement for the additional costs involved should be provided. This is true also of work involved in certifying documents and preparing special reports relating to veteran enrollees. We can live with H. R. 5040, but we can live better and longer if we are paid for the extra work required by Federal law and not in our normal operations.

Except for those institutions in States having no tuition for resident students, the effect of H. R. 6425 would be to remove from university operations virtually all of the procedures which have been necessary under the existing program. This is, in my judgment, a forward step. I note with particular interest that in title VI provision is made for the Administrator to reimburse each State approving agency for reasonable expenses incurred by it in rendering service and reports requested by the Administrator. If the services and preparation of reports are delegated to the individual institutions by the State approving agencies, I would earnestly hope that suitable provision for reimbursement to that institution be spelled out. The present language is ambiguous with respect to this point.

You may wonder why I make a point of asking that provision be made for reimbursement to an institution in connection with special reports. I should like to tell you—and this is the only time that I shall introduce statistics into this statement. Anticipating that the several bills introduced would force some sort of reporting by the educational institution, I asked the dean of admissions and records at my institution to provide me with cost data for at least four types of reports. From experience he could envision four possible types which he characterized as:

REPORT I

"The simplest type of report that we could furnish would be merely to advise the Veterans' Administration monthly of the status of the man's registration without regard to class attendance."

REPORT II

"The next simplest type might be a form listing the veteran's course registration furnished to the man by the admissions and records office with space provided for each instructor to certify attendance."

REPORT III

"A further refinement of this procedure that might be required would be to have the man, after he has obtained his instructor's certifications, present the form to the admissions and records office for certification of registration."

REPORT IV

"If the Veterans' Administration should object to the veteran doing any of this leg work and insist that the university obtain attendance reports from instructors, assem-

ble and report on each man, this could be done but would be considerably more costly."

The office of admissions and records at the University of Minnesota is expertly staffed and equipped with International Business Machines equipment. As a result, I would expect any operation undertaken by it to be carried out at minimum cost. In order to make the cost analysis I had requested, certain assumptions were made. They were:

1. Total attendance, 16,000.
2. Total veterans, 500.
3. Wage rates, 1951-52.

The summary of costs resulting from this study is as follows:

Report	Cost per veteran for each monthly report	Total cost for each report	Cost for 9 months
I.....	\$0.03 (9 months=\$0.27).....	\$14.79	\$124.56
II.....	\$0.12 (9 months=\$1.08).....	58.01	522.09
III.....	\$0.18 (9 months=\$1.62).....	90.01	810.09
IV.....	\$4.04 (9 months=\$36.36).....	2,018.49	18,166.41

I think it is relevant to quote two paragraphs from the report itself. They are:

"I suspect that all these estimates are minimum, that the real cost would almost surely add rather than subtract from them. I feel that this is particularly so because of the time and money necessary to implement an attendance scheme; achieving cooperation, etc., with faculty and administrators would add an additional heavy burden."

"Of 2,500 veterans who might be in attendance, the correction factor I might use would be a factor of 6. This is merely an estimate based on the fact that, while quantity of data would increase slightly due to the cost of machine procedures, the cost of instructor and clerical costs would increase much more so, necessitating the hiring of extra personnel. This is particularly true of report IV. Veteran attendance less than 500 would not greatly reduce the costs because machine procedures would remain essentially the same."

The University of Minnesota, and I use my institution as an example because I think it is typical of most land-grant institutions and State universities would not object to absorbing the costs involved in reports I, II, and III. However, experience indicates that we are not likely to be asked for these alone. Report IV, or some variation thereof, seems almost inevitable. As a matter of fact, requests for reports of one sort or another represent one of the most vexing problems that we encounter in our relationships with the Government. Compliance with requests of this sort can lead to involvements and costs that no one can predict. Because costs in the preparation of reports are not as apparent as they are in the procurement of commodities, for example, most people are likely to overlook them—or at least to ignore them. I call your attention to the fact that if the Veterans' Administration were to demand report IV, or any variation of it, the cost to the University of Minnesota in furnishing it would be equivalent to the tuition collected for one academic quarter in, let us say, the college of science, literature, and the arts. Putting it another way, I might remind you of the fact that resident tuition at any institution covers approximately 25 percent of the cost of institutions so that if certain reports were demanded without compensation the University of Minnesota would lose 33 percent of its modest collection in any one academic year.

Reporting may seem inconsequential to many. However, requests or demands for reports have an insidious way of multiplying both in number and in scope. I earnestly ask, therefore, that you afford protection in

some manner against loss to our institutions.¹

There are other points, admittedly of a minor nature, to which I might address myself in connection with H. R. 6425. However, I do think that this proposal comes the closest of those introduced thus far to meeting what my colleagues feel to be the most desirable arrangement of all.

I said earlier that the legislative proposals before us constituted three patterns of approach. I said there was a fourth possible pattern which is suggested strongly by H. R. 6425. Rather than involving an institution of higher education in any way other than certification of enrollment, I would prefer to have an outright scholarship bill with a flat sum, the amount to be determined by dependency status, and payable to the veteran, with complete freedom of choice given to him as to where he will enroll. This would have the merit of putting the veteran completely on his own and relieving the institution of many administrative procedures that have proven burdensome and costly. It is proposed in H. R. 6425 to pay the veteran with no dependents enrolled for a full-time course of study \$110 per month, and a veteran with one or more dependents enrolled for a full-time course of study \$150 per month. For an academic year these amounts aggregate approximately \$990 and \$1,350, respectively. Such sums, or variations thereof, could constitute the scholarship amounts.

I realize that what I am proposing may not be as easily workable in other areas of training or education as in higher education, but

¹ For the sake of brevity as well as for simplicity I have introduced into the text of my statement only those cost data relating to the furnishing of reports that are likely to be demanded under such a bill as H. R. 6425. Our experience with costs in connection with administering the present program in the year 1950-51 points up rather dramatically the reasons for our being so cost-conscious. I should like to introduce a summary schedule of purely incremental costs for this period.

SCHEDULE 3.—University of Minnesota, summary of costs incident to the Veterans' program, 1950-51

I. Estimated costs:

Admissions and records (schedule B)	\$23,476.60
Books and supplies (schedule C)	17,540.19
Bureau of Veterans' Affairs (schedule D)	98,764.35
Comptroller's office (schedule E)	11,539.24
Total estimated costs—	151,320.38

II. Estimated cost per veteran:

A. Veteran enrollment 1950-51 (excluding Duluth Branch):	
First summer session	4,219
Second summer session	3,341
Fall quarter	5,891
Winter quarter	5,197
Spring quarter	4,566
Total veteran enrollment	23,214

B. Average cost per enrollment: Total estimated cost, total enrollment \$151,320.38 ÷ 23,214 = (per enrollment per term)---	6.52
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To the extent that the institution deals with the Veterans' Administration rather than the individual enrollee, costs are involved. These costs involve many departments and are significant in amount, particularly when they are so large relative to the amount collected for veteran enrollees.

I am prompted to advance the further thought that the "ground rules" governing higher education should be different from other programs. My reason for holding to this view stems from my experience with the present program. Invariably when publicly supported institutions of higher education objected to certain regulations and certain procedures we were told that the Veterans' Administration had no alternative under the law than to issue regulations uniformly applicable to all areas and levels of training and education. Thus, at the very time that regulations of a disciplinary or punitive character were promulgated to correct abuses in some areas, institutions of higher education were innocently and adversely affected. The differences between old and established colleges and universities and relatively new schools for profit, as an example, are so apparent that the request for separate treatment cannot seem unreasonable. The report of the House Select Committee prepared under the direction of the Honorable OLIN TEAGUE bears this out.

In summary, therefore, it is our position that the extension of the present program as contemplated in H. R. 5896 is undesirable unless accompanied by such fundamental and desirable modifications as having the veteran provide his own books, supplies, and equipment and establishing a uniform basis of reimbursement to all colleges and universities irrespective of source of support. Further, the land-grant colleges and universities feel that the version typified by H. R. 5040 represents some improvement, but that it does not go far enough in relieving institutions of higher education of administrative burdens nor does it give the veteran enrollee his full measure of individual responsibility. Greater progress is made in this direction in H. R. 6425. However, we believe that the door should not be closed to going even further and giving consideration to a bill which would restore in every respect the normal relationship between students and institutions, between the Federal Government and institutions, and between institutions themselves. This could be accomplished by amendments to H. R. 6425 which retain its basic principles.

Why did we put that provision in the bill? Because under the World War II bill at one time there were \$200 million in overpayments to veterans because they had left school and the colleges did not make reports. The VA did not know where they were. However, the VA collected back all but about \$20 million of that amount. Imagine how much paper work it took to collect that \$180 million in overpayments. That is one of the safeguards we placed in the bill.

I feel like the Appropriations Committee should give us some time to find out whether that is the correct amount. There are not a sufficient number of veterans in the colleges yet so that we can tell whether that is the right or wrong amount, but certainly it is not right for the Appropriations Committee to come to this floor and say that you should change this amount without any study or investigation.

I have never said one thing on this floor, I have never done one thing to mislead this Congress, and I feel like it is very unfair for the Appropriations Committee to come in here and bring about this change without some hearings or some investigation.

I would like to read you a letter from Dr. Arthur S. Adams, president of the American Council on Education, and others, as follows:

AMERICAN COUNCIL ON EDUCATION,
Washington, D. C., June 10, 1953.
The Honorable OLIN E. TEAGUE,
House of Representatives,
Washington, D. C.

DEAR CONGRESSMAN TEAGUE: The statement made by Congressman PHILLIPS and published in the CONGRESSIONAL RECORD on June 4, strikes at the heart of the provisions of Public Law 550, which were included to protect the interests of the Government and of the veteran. The act specifically requires that the educational institution refund to the Veterans' Administration any overpayments made to the veteran if the institution does not report that the veteran is no longer in attendance or is not maintaining satisfactory progress. This provision makes it necessary for the institution to institute forms and maintain staff for the special recording and reporting of Public Law 550 veterans which are not required for other students.

The amount of \$1.50 per month per veteran was agreed upon by the congressional committee after public hearings and substantiation of the cost. If it is to be changed, public hearings should be held and the institutions given the opportunity to present evidence in support of the amount of actual administrative costs. To change the amount of a statutory payment by appropriation jeopardizes all other financial provisions in the act, including the amount of payment to the veteran.

It is our sincere hope, in the interest of protecting the Government and the veteran, that the payment of \$1.50 per month will be continued.

Sincerely yours,

ARTHUR S. ADAMS.

I have similar letters from the National Association of State Approval Agencies, the American Vocational Association, National Association of Technical Schools, National Association and Council of Business Schools, the Strayer College in this city, and the land-grant colleges of our country.

AGRICULTURAL AND
MECHANICAL COLLEGE OF TEXAS,
College Station, Tex., June 11, 1953.
Congressman OLIN E. TEAGUE,
Old House Office Building,
Washington, D. C.

DEAR CONGRESSMAN TEAGUE: As chairman of the Committee on Veterans' Affairs of the Association of Land-Grant Colleges and Universities, I am very much opposed to the proposal of Representative JOHN PHILLIPS, of California, chairman of the subcommittee on independent offices appropriations, to cut the monthly payments by the Veterans' Administration to colleges for monthly reports on students under Public Law 550, the Korean GI bill, from \$1.50 to \$1. I am writing to you since you were the chief author of the bill in question.

The \$1.50 payment per monthly report was arrived at by the legislative committees of the Congress after careful consideration of the evidence presented as to costs of this service, which is not performed in behalf of nonveteran students. The whole intent of Public Law 550 was to place the veteran student in the same relationship to the college as other students, paying the same fees, and receiving the same service. It seemed fair to the legislative committees of the Congress that the colleges should be paid for special services rendered to the Government on behalf of veterans, particularly since they are under the law held financially responsible for failure to make their reports if an overpayment to the veteran by the Government results from failure of the college to submit them.

I do not think that \$1 per month per student will cover the cost of submitting these

reports and I recommend that the monthly payment of \$1.50 be retained. Your support of this request will be greatly appreciated.

Sincerely yours,

M. T. HARRINGTON,
President, Agricultural and Mechanical
College of Texas.

NATIONAL ASSOCIATION AND COUNCIL
OF BUSINESS SCHOOLS,
Washington, D. C., June 10, 1953.

HON. OLIN E. TEAGUE,
Old House Office Building,
Washington, D. C.

DEAR MR. TEAGUE: We note with concern the proposal to reduce the \$1.50 per student per month now paid to institutions enrolling veterans, for clerical expense, to \$1 per month.

Speaking for this association, which represents directly 500 of the larger business schools of the Nation, and indirectly the entire field, we very seriously object to this reduction. The amount of time and labor that is required in the extraordinary care which is necessary to maintain veterans' records and process the required reports is by no manner of means represented even by the \$1.50 per student. That was but a token and not a real coverage of this added cost of handling the veteran student.

The law requires that veteran students shall be received on the same terms and conditions as nonveteran students, but the record-keeping and reporting required of every institution fastens a cost per student upon each institution well in excess of the \$1.50. As a matter of plain equity, it certainly should not be reduced.

The members of your committee are very conversant with the need of this added care, that the Government and the veteran may be protected against abuse through carelessness or actual deception in recording time for which payment is required. That urgency in no manner of means is reduced as this token payment for it is reduced.

We appreciate the very real contribution which you, personally, have made to develop and secure enactment into law of a bill in which equity was three-dimensional.

Cordially yours,

H. D. HOPKINS,
Executive Secretary.

NATIONAL ASSOCIATION AND COUNCIL
OF BUSINESS SCHOOLS,
June 6, 1953.

To the Member Schools of NACBS:

In a speech given before the House yesterday by Congressman PHILLIPS, of California, of the Subcommittee on Appropriations, Mr. PHILLIPS said the following:

"Another saving has to do with a very small item. This is the small monthly payment given the schools to report their veteran students are still in the classes. This is now \$1.50 per month per student. On the basis of this report, the veteran receives his subsistence check. There is about as much justification for this as for paying me to send in my income tax report. The subcommittee does not recommend the elimination, although we might well do so, but only the reduction from \$1.50 to \$1. This, however, will save almost \$2 million."

This affects the college field more broadly than it does our own people, but if you have 100 veterans enrolled, this costs you \$1,500 a year, also. So that every school enrolling veterans is by this procedure (if enacted into law) penalized to that extent.

According to schedule, the report of the Veterans Committee will go to the House floor for a vote June 16 or 17, and in your own interest and that of the field, your Congressman should have your views on this subject. Write or wire him as the urgency moves you.

This item is under Veterans' Administration budget for 1954.

Sincerely yours,

H. D. HOPKINS,
Executive Secretary.

BERNARD H. EHRLICH,
ATTORNEY AND COUNSELLOR AT LAW,
Washington, D. C., June 10, 1953.

HON. OLIN E. TEAGUE,
House Office Building,
Washington, D. C.

DEAR CONGRESSMAN TEAGUE: On behalf of the National Federation of Private School Associations which includes the National Association and Council of Business Schools, the National Council of Technical Schools, and the National Home Study Council, I am writing to you concerning the VA budget for the fiscal year 1954. Congressman PHILLIPS, of California, on June 5, stated before the House that his committee would seek to reduce the monthly payment given the schools to report on veteran students from \$1.50 per month per student to \$1. Congressman PHILLIPS stated "that there is about as much justification for this as for paying me to send in my income tax report."

As legal counsel of the above organizations, I wish to state that Congressman PHILLIPS has not correctly stated the facts. As you know, from your complete investigation of the VA, the VA has required all private schools to file a tremendous number of reports. These reports have prevented the schools from concentrating on their job of educating the student and has placed on them high administrative expenses to make sure that all of the records are filled out completely. In the case of the private schools there is a necessity for making sure that the attendance record of each veteran is correct because if in error the veteran will have his education and training allowance perhaps drastically cut.

We are firmly opposed to such a change in the appropriations bill which would in effect nullify Public Law 550 and the intent of that law. We believe that this is an example of false economy and I assure you that the \$1.50 per month per student does not begin to cover the actual cost of the time and effort required by all private school owners to keep the necessary records and make the reports which are required by the VA. The \$1.50 merely helps the school to meet these expenses and therefore helps to keep the cost of tuition from rising any further than it is at the present time.

Your aid and support in seeking an amendment when the bill is presented on the floor of the House will be greatly appreciated.

Cordially,

BERNARD H. EHRLICH.

NATIONAL COUNCIL OF
TECHNICAL SCHOOLS,
Washington, D. C., June 10, 1953.
HON. OLIN E. TEAGUE,
House Office Building,
Washington, D. C.

DEAR CONGRESSMAN TEAGUE: The members of this council were assembled in annual meeting on June 4, 1953, at the Statler Hotel in Washington. At that time we learned of the current effort to reduce the expense reimbursement to educational institutions as provided in section 265 (b) of Public Law 550, 82d Congress, from \$1.50 per veteran per month to \$1 per veteran per month.

Our members requested that I express to you our objection to this reduction. We are of the opinion that the present \$1.50 per month does not adequately cover our expenses in preparing the many reports required by the Veterans' Administration and the additional records we must maintain to support these reports.

Many of the curricula offered by our member schools are accredited and therefore are available for eligible veterans under section

253 of Public Law 550. However, whether under section 253 or section 254, the records and reports required by the VA are considerably in excess of those normally maintained by an institution for nonveteran students. Our schools are privately owned and in our case, the expense of these records and reports must be borne by current tuition income rather than come from State tax sources. A reduction in reimbursement such as proposed would therefore materially affect our operating expenses and reduce the capital we have available for maintaining our curricula at high-level standards.

We shall appreciate your assistance to oppose the reduction or elimination of this reimbursement to our institutions.

Respectfully yours,

C. L. FOSTER,
President.

AMERICAN VOCATIONAL
ASSOCIATION, INC.,
OFFICE OF THE SECRETARY,
Washington, D. C., June 15, 1953.
The Honorable OLIN E. TEAGUE,
House of Representatives,
United States Capitol,
Washington, D. C.

MY DEAR CONGRESSMAN TEAGUE: This letter deals with a matter that involves Public Law 550 with which you are very familiar since you authored this act of Congress.

You know that Public Law 550, 82d Congress, which provides education and training benefits for veterans with Korean service, provides that all payments are made directly to the veteran and that the veteran, in time pays the school the same tuition which is charged a nonveteran. The law specifically prohibits the school from charging the veteran more than a nonveteran pays.

You are also cognizant of the fact that Public Law 550 requires schools to maintain records of attendance and submit detailed monthly reports of attendance and progress of the veteran students. The Veterans' Administration uses these reports as a basis for paying the veteran for his education and training allowance. Section 266 contains a provision which makes a school liable for any overpayment to a veteran which results from the school's willful or negligent failure to report excessive absences or interruption. The findings of the Administrators of the Veterans' Administration are conclusive as to whether the school was willful or negligent. The school is liable for the entire amount of overpayment to the veteran, including the portion intended for subsistence, even though the school receives no part of the money that was overpaid.

It is my understanding that these provisions were placed in the law to prevent large overpayments such as occurred under the World War II program. It was reported that overpayments under that program reached \$200 million at one time. When Public Law 550 was passed, the Congress realized that the school was being required to undertake a considerable amount of responsibility and extra administrative work, purely for the benefit of the Veterans' Administration; therefore an allowance of \$1.50 per month per student was provided to defray the extra administrative expense involved in making the monthly report.

H. R. 5690, the bill providing appropriations for the Veterans' Administration contains a rider cutting the amount payable to schools from \$1.50 per month per student to \$1. The chairman of the committee says that this will create a savings of \$2 million. Judging from his statement he seems to be confused as to the reasons why these payments are necessary.

This appears to be another attempt to cripple educational authorities in their efforts to render efficient service to veterans. In general schools are overcrowded and un-

derfinanced. Why place this additional burden on the schools and thus further weaken them to serve both veterans and nonveterans?

It is the sincere hope of the members of the American Vocational Association—located in every State and community of the Nation—that you will protest strenuously this proposed drastic cut in the administrative funds for schools. If made it will result in a cut in efficient service to veterans.

Sincerely yours,

M. D. MOBLEY,
Executive Secretary.

STRAYER COLLEGE,
Washington, D. C. June 15, 1953.
The Honorable OLIN TEAGUE,
House of Representatives,
Washington, D. C.

DEAR MR. TEAGUE: It has come to our attention that the appropriation bill for the Veterans' Administration will come to the floor of the House of Representatives this week. We have learned about Congressman PHILLIPS' proposal to cut the allowance paid schools and colleges from \$1.50 to \$1 for handling veterans' records and reports each month.

It is our opinion, based on evidence submitted here, that the \$1.50 current charge is justifiable and fully earned by schools and colleges.

In addition to enrollment and reentry forms, the following clerical procedures must be completed for each veteran trainee each month and are operations not required in handling nonveteran students:

1. Attendance record must be checked in order to note all time lost from school. In addition to absences, tardiness, and early dismissals must be computed by actual time lost and converted to full days or part days as the case may be.

2. Progress records must be checked. If the end of the calendar month does not coincide with our regular grading period, each teacher must be contacted personally to determine whether progress and conduct are satisfactory.

3. Reports must be gotten to students for signature.

4. Vouchers must be prepared to accompany reports. Duplicates of both vouchers and reports are filed so that we can, when necessary, verify the fact that reports have been submitted.

5. Reports must be mailed to Veterans' Administration or delivered in person.

We sincerely appreciate the time and energy you have spent in securing legislation friendly and favorable to schools and colleges and hope that the information we have given will be helpful to you in carrying forward the good work you are doing.

Very truly yours,

STRAYER COLLEGE,
E. J. PURVIS, Director.

P. S.—We estimate that approximately 1 hour per month per veteran student is required to do the work involved in submitting the necessary reports.

NATIONAL ASSOCIATION OF
STATE APPROVAL AGENCIES,
June 12, 1953.

The Honorable OLIN E. TEAGUE,
Member of Congress, House of Representatives,
Washington, D. C.

DEAR CONGRESSMAN TEAGUE: I understand that bill H. R. 5690 will be introduced shortly which reduces the payment to institutions by the Veterans' Administration for the supplying of monthly reports from \$1.50 to \$1.

The Veterans' Administration, in administering Public Law 550, requires the institution to submit a monthly report covering the veteran's attendance and progress. If

these reports are not submitted promptly, the veteran will be deprived of his monthly allotment. And if there should be any discrepancy in the report, the institution will be held responsible for overpayments to the veteran.

It is not right to require institutions to make these reports if the Federal Government does not intend to pay for the expense of hiring or employing additional personnel for this purpose. Monthly reports are not required of regular students and for that reason, this is an additional burden put on the school by the Federal Government and should be paid for by the Federal Government.

As president of the National Association of State Approval Agencies, I urge that you do everything possible to retain the fee of \$1.50 instead of reducing it to \$1. I am speaking for the 48 States that are members of our National Association of State Approval Agencies. We believe that institutions should be required to do a good job for the returning veterans, but we also believe that they should be paid for additional expense incurred in caring for these veterans.

Thanking you for your interest in the past, I am

Yours very truly,

W. A. SCHIFFLEY,
President.

On April 1 in a statement the gentleman from California [Mr. PHILLIPS], chairman of this subcommittee, said:

We send veterans to school. We pay their way and give them a supporting amount of money while they are there, and we require the school to send us a report every month on how the veteran is doing, is he still there, and what kind of marks he is getting. We pay the school \$1.50 for each of these reports. No educational institution does it for its other students. My friend from Connecticut [Mr. SEELY-BROWN] would probably be glad to have \$1.50 for every report to parents he made on every student in his school. If we cut down the number of reports to one on entering, at midyear, and at the end of the year—that is a reduction that could be made—this item alone would save \$5 million.

In his statement on June 4, 1953, the gentleman from California [Mr. PHILLIPS] made the following statement concerning the \$1.50 per month payment:

Another saving has to do with a very small item. This is the small monthly payment given the schools to report that veteran students are still in the classes. This is now \$1.50 per month per student. On the basis of this report the veteran receives his subsistence check. There is about as much justification for this as for paying me to send in my income-tax report. The subcommittee does not recommend the elimination, although we might well do so, but only a reduction from \$1.50 to \$1. This, however, will save almost \$2 million.

Mr. Chairman, if the chairman of this subcommittee had read our hearings of last year or had made any kind of an investigation, he would not have made a remark like that about the actions of the legislative committee of this House on veterans' affairs.

Mr. SELDEN. Mr. Chairman, will the gentleman yield?

Mr. TEAGUE. I yield to the gentleman from Alabama.

Mr. SELDEN. Can the gentleman from Texas tell me whether or not any State institution or any State Department of Education has requested or was

allowed to submit any testimony to the Appropriations Committee as to the effect this reduction from \$1.50 to \$1 would have?

Mr. TEAGUE. If the gentleman will turn to page 816 of the hearings, that is the only place I can find it mentioned. There were a number of questions asked back and forth, and as far as I know, that is the only place where it is mentioned.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. FRELINGHUYSEN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FRELINGHUYSEN: On page 10, line 22, after the word "That", strike out "effective September 1, 1953" and in lieu thereof insert "between September 1, 1953 and June 30, 1954."

Mr. PHILLIPS. Mr. Chairman, will the gentleman yield?

Mr. FRELINGHUYSEN. I yield to the gentleman from California.

Mr. PHILLIPS. The committee would have no resistance to this amendment. We think it is a satisfactory amendment giving the legislative committee time to work out the problem. I do not want to deprive the gentleman of his time to speak, but I want him to know that we are not opposing his amendment.

Mr. FRELINGHUYSEN. I thank the gentleman very much. I am delighted to hear the chairman of the subcommittee has no objection to this amendment. I would like to explain why I, as a member of the Veterans' Affairs Committee, am offering this perfecting amendment. It is being offered for the very reason that the gentleman from Texas mentioned, and that is to give the Veterans' Affairs Committee time to consider this question. A number of the members of the Veterans' Affairs Committee feel that some of the items in this bill constitute legislation, and we would like time to consider these items ourselves. Our committee naturally is sensitive about its prerogatives and aware of its responsibilities to consider these and other pressing problems. I am offering this amendment so that our committee can consider the adequacy of payments which are now being made, and before June 30, 1954, presumably, we, as a committee, will act on this directly.

Mr. PHILLIPS. I just do not want it to seem that nothing was said by our committee. We discussed this with the distinguished chairman of the Legislative Committee 3 months ago. On the floor on June 4 I talked about this; I talked about it several times. During the general discussions, when we wanted to add quite a bit more money for the hospitalization of actually disabled veterans, we, from the beginning, said that we wanted to recover money from some source which was of no benefit to the veteran, or even of slight benefit to the veteran, in order to use it for the disabled veterans, and I think that is the issue.

Mr. FRELINGHUYSEN. I think the members of the Veterans' Affairs Committee sympathize with the approach of

the subcommittee, but it was our feeling that there are items in this bill that were appropriate for us to consider. It was to give us time to consider this particular question that I am offering the amendment.

Mr. TEAGUE. Mr. Chairman, will the gentleman yield?

Mr. FRELINGHUYSEN. I yield to the gentleman from Texas.

Mr. TEAGUE. The committee has made a continuous study of this requirement in relation to the Korean GI bill. There are an insufficient number of Korean GI's in colleges today for anyone to tell what the cost should be. The colleges say it should be more. The gentleman from Illinois [Mr. SPRINGER] has letters to that effect, saying that we should give the colleges more money under the GI bill. It could be delayed for a year.

Mr. FRELINGHUYSEN. I sympathize with the gentleman from Texas in the position he takes in this affair. I was not a Member of Congress at the time this proposal was written into existing legislation. However, I do feel that we should go along with the Committee on Appropriations in their efforts to reduce expenses where it can be done. This is particularly true if, as the gentleman from Texas points out, we do not have sufficient evidence as yet as to the adequacy of these payments. It seems reasonable to me, temporarily, to proceed on the theory that the one dollar is an adequate amount. In the meantime, our committee can hold hearings and can look at the matter directly.

Mr. TEAGUE. Do I understand that the gentleman is opposing my amendment?

Mr. FRELINGHUYSEN. I am perfecting the gentleman's amendment.

Mr. TEAGUE. But the gentleman is not opposing my amendment until we have a chance to investigate it.

Mr. FRELINGHUYSEN. I agree that this matter should be investigated. But if my amendment prevails, the gentleman's amendment would not remain as it is, because my amendment simply changes the existing language to include a specific time limit, from September 1, 1953, to June 30, 1954. It would not strike the whole proviso as the gentleman's amendment proposes.

Mr. PHILLIPS. Mr. Chairman, if the gentleman will yield further, it would recover \$1,800,000 to be applied toward the hospitalization of veterans and the building of new hospitals. In the intervening year the gentleman from Texas and the committee of which the gentleman is a member could work out a satisfactory equivalent if they felt that was necessary.

Mr. TEAGUE. How would this money be applied to hospitals? I think the gentleman is confusing the issue.

Mr. PHILLIPS. I am not confusing it. The money is to come out of the taxpayers' pocket one way or the other. If we increase the money for deserving veterans and for hospitals, we cannot spend money that does not exist; we have to get it from somewhere. This is one place to get it. I may say that this is the only place I know of in the United

States where a school or any other agency is paid every month to send in what amounts to a bill for the tuition for which the Federal Government pays.

Mr. TEAGUE. We are paying the colleges for an additional burden we have imposed upon them. What will be the result? The veterans' reports will not be sent in on time; the veterans will not be paid on time.

Mr. MASON. Mr. Chairman, will the gentleman yield?

Mr. FRELINGHUYSEN. I yield to the gentleman from Illinois.

Mr. MASON. The statement that we are paying for an additional burden we are placing upon the universities is not a correct interpretation. We are placing no burden on any university. They can take their own GI's and then they send in each month this report, which is in the nature of a bill to collect on their tuition.

Mr. JONAS of North Carolina. Mr. Chairman, I move to strike out the last word in order to ask the gentleman from Texas a question. Can the gentleman tell me the nature of these reports?

Mr. TEAGUE. Yes; I have a complete list of them.

Section 231 (b) (2) contains the following requirement relating to attendance:

(b) The education and training allowance for an eligible veteran shall be paid, as provided in section 232, only for the period of the veteran's enrollment as approved by the Administrator, but no allowance shall be paid—

(2) to any veteran enrolled in a course approved under section 254 or in a course of apprentice or other training on the job for any day or absence in excess of 30 days in the 12-month period, not counting as absences weekends or legal holidays established by Federal or State law during which the institution or establishment is not regularly in session or operation, or

Section 231 (c) requires the school to furnish certain records:

(c) No education and training allowance shall be paid to an eligible veteran for any period until the Administrator shall have received—

(1) from the eligible veteran (A) in the case of an eligible veteran enrolled in a course approved under section 253 or a course of institutional on-farm training, a certification that he was actually enrolled in and pursuing the course as approved by the Administrator, or (B) in the case of an eligible veteran enrolled in a course approved under section 254 or a course of apprentice or other training on the job, a certification as to actual attendance during such period, or (C) in the case of an eligible veteran enrolled in a program of education or training by correspondence, a certification as to the number of lessons actually completed by the veteran and serviced by the institution, and

(2) from the educational institution or training establishment, a certification, or an endorsement on the veteran's certificate, that such veteran was enrolled in and pursuing a course of education or training during such period, and, in the case of an institution furnishing education or training to a veteran exclusively by correspondence, a certification, or an endorsement on the veteran's certificate, as to the number of lessons completed by the veteran and serviced by the institution.

Education and training allowances shall, insofar as practicable, be paid within 20 days

after receipt by the Administrator of the certifications required by this subsection.

Section 253 (b) contains the following provisions relating to records to be kept by accredited institutions:

(b) As a condition to approval under this section, the State approving agency must find that adequate records are kept by the educational institution to show the progress of each eligible veteran. The State approving agency must also find that the educational institution maintains a written record of the previous education and training of the veteran and clearly indicates that appropriate credit has been given by the institution for previous education and training, with the training period shortened proportionately and the veteran and the Administrator so notified.

Section 254 (c) (7) contains the following approval requirement relating to records:

(c) The appropriate State approving agency may approve the application of such institution when the institution and its non-accredited courses are found upon investigation to have met the following criteria:

(7) Adequate records as prescribed by the State approving agency are kept to show attendance and progress or grades, and satisfactory standards relating to attendance, progress, and conduct are enforced.

Section 266, making schools liable for overpayments to veterans, is quoted below:

In any case where it is found by the Administrator that an overpayment has been made to a veteran as the result of (1) the willful or negligent failure of the educational institution or training establishment to report, as required by this title and applicable regulations, to the Veterans' Administration excessive absences from a course, or discontinuance or interruption of a course by the veteran or (2) false certification by the educational institution or training establishment, the amount of such overpayment shall constitute a liability of such institution or establishment, and may be recovered in the same manner as any other debt due the United States: *Provided*, That any amount so collected shall be reimbursed if the overpayment is recovered from the veteran. This provision shall not preclude the imposition of any civil or criminal action under this or any other statute.

Section 265 (b): The committee approved the addition of a new subsection (b), whereby the Administrator must pay to each educational institution which is required to submit reports and certifications to the Administrator a uniform allowance to be determined by the Administrator for the purpose of assisting such educational institution in defraying the additional expense of preparing and submitting such reports and certifications. It was pointed out to the committee that every educational institution would necessarily incur additional administrative costs arising out of the keeping of separate records for veteran students and that it was obviously unfair to impose this obligation upon these institutions without some compensation.

We said that before he gets his check he and the college have to report that he is in school, and that he is making good grades. That is the report they have to send in.

Mr. JONAS of North Carolina. That is the point I am making. They make these reports monthly?

Mr. TEAGUE. They make that report monthly.

Mr. JONAS of North Carolina. Could they not make that monthly report on a postal card? Is it worth a dollar and a half?

Mr. TEAGUE. There are not enough veterans in school yet to tell. I do not know, frankly, as to that, but the colleges say it is not enough.

Mr. JONAS of North Carolina. They have to report each month whether the veteran is in school and whether he is making satisfactory progress in his work. I submit that this Government ought not to have to pay a dollar and a half per veteran for that kind of information every month.

Mr. MATTHEWS. Mr. Chairman, will the gentleman yield?

Mr. JONAS of North Carolina. I yield to the gentleman from Florida.

Mr. MATTHEWS. May I say to the gentleman that my profession has been education. I was connected with the University of Florida, where we have a number of these veterans. Believe me, it requires more than just sending out a report. I know for one thing they have to have a special counselor who checks into these records.

Mr. JONAS of North Carolina. We are not required to provide money to hire members of the faculty of these institutions, are we?

Mr. MATTHEWS. That is not what it is doing. As I understand the position of the gentleman from Texas, all he wants is an opportunity to study to find out just what exactly is being done. I support the gentleman's position.

Mr. TEAGUE. Did the committee make any investigation? Did you ask one college? Did you make one iota of effort to find out whether this is right or not?

Mr. JONAS of North Carolina. We made some study of it.

Mr. TEAGUE. Where is it in the hearings?

Mr. JONAS of North Carolina. We did not have representatives of any colleges before us, but we ascertained just what the gentleman from Texas has now confirmed, that all they have to do is make this monthly report. We think they can do it on a post card. It is not worth \$1.50.

Mr. TEAGUE. The committee did not make any investigation.

Mr. JONAS of North Carolina. We certainly did.

Mr. PHILLIPS. Mr. Chairman, I move that all debate on these amendments do now close.

The motion was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New Jersey [Mr. FRELINGHUYSEN].

The amendment was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas [Mr. TEAGUE].

Mr. PHILLIPS. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. PHILLIPS. Mr. Chairman, the perfecting amendment of the gentleman from New Jersey was accepted. That makes the amendment offered by the

gentleman from Texas an amendment not striking out the section but changing it to stay in effect for a year, is that correct?

The CHAIRMAN. The Chair is of the opinion that if the amendment of the gentleman from Texas [Mr. TEAGUE], which is to strike out the proviso, is agreed to, it would also strike the perfecting amendment of the gentleman from New Jersey.

Mr. PHILLIPS. If I may understand that, Mr. Chairman, the so-called Teague amendment would not strike out the proviso, am I correct?

The CHAIRMAN. It would strike it out.

Mr. PHILLIPS. Then what would become of the amendment offered by the gentleman from New Jersey [Mr. FRELINGHUYSEN]?

The CHAIRMAN. It would go out with the remainder of the proviso if the amendment of the gentleman from Texas is agreed to.

Mr. HALLECK. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. HALLECK. Mr. Chairman, the Teague amendment, as amended by the perfecting amendment, strikes out language presently in the bill but adds language that pertains to the date September 1 through and including the date of June 1954.

Mr. Chairman, I ask unanimous consent that the language of the paragraph, as it has been amended, be reported.

Mr. PHILLIPS. And on which we are now voting.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

The CHAIRMAN. The Clerk will report the paragraph as amended by the amendment of the gentleman from New Jersey [Mr. FRELINGHUYSEN].

The Clerk read as follows:

Page 10, line 22: "Provided further, That between September 1, 1953, and June 30, 1954, no part of any appropriation shall be used to pay to educational institutions for reports and certifications of attendance at such institutions an allowance at a rate in excess of \$1 per month for each eligible veteran enrolled in and attending such institution."

Mr. TEAGUE. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. TEAGUE. Mr. Chairman, is it not true, if this amendment is adopted, it means that things will go on as they are for 1 year? That there will be no change?

The CHAIRMAN. The Chair is of the opinion that the Frelinghuysen amendment is not an amendment to the amendment offered by the gentleman from Texas, but is a perfecting amendment. The Teague amendment is to strike out the proviso, and if the Teague amendment does not prevail, the perfecting amendment offered by the gentleman from New Jersey will prevail.

Mr. PHILLIPS. Mr. Chairman, may I make a statement somewhat simpler

than parliamentary language? If the Teague amendment is adopted, the amount will be \$1 next year. If the Teague amendment is not adopted, it will be \$1.50.

The CHAIRMAN. Without objection, the Clerk will report the Teague amendment.

There being no objection, the Clerk again reported the amendment offered by Mr. TEAGUE.

Mr. EDMONDSON. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. EDMONDSON. Is not the plain effect of the Frelinghuysen amendment, as it now stands, to make effective on September 1 a reduction to \$1 for these reports?

Mr. PHILLIPS. Mr. Chairman, this now becomes very important. The Parliamentarian has evidently ruled that the Frelinghuysen amendment is a perfecting amendment, not to the Teague amendment, but a perfecting amendment to the bill. Thus, if the Teague amendment carry, then the section would be stricken as the gentleman from New Jersey [Mr. FRELINGHUYSEN] amended it. Thus, if you are in favor of the \$1 you should defeat the Teague amendment; if you are in favor of the \$1.50 you should support the Teague amendment.

Mr. EDMONDSON. Mr. Chairman, a further parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. EDMONDSON. Will not the effect of the Teague amendment, if agreed to at this time, be, therefore, to strike the Frelinghuysen amendment and also the preexisting language from the bill, and make possible this study during the intervening period?

The CHAIRMAN. The question is on the Teague amendment.

Mr. MILLER of California. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. MILLER of California. I should like to know this: The Frelinghuysen amendment, as it now perfects the wording of the bill, would make it read:

Provided, That effective September 1, 1953, through June 4, 1954, no part of the appropriation shall be used to pay to educational institutions for reports and certifications of attendance (so much) at a rate not in excess of \$1.

That means, between those dates, effective next September and until a year from now, that rate will be \$1. After that it would revert back to \$1.50. Is not that correct? That is the very thing we tried to defeat. It destroys this period of study.

The regular order was demanded.

The CHAIRMAN. The question is on the Teague amendment.

The question was taken; and on a division (demanded by Mr. TEAGUE) there were—ayes 64, noes 91.

Mr. TEAGUE. Mr. Chairman, I ask for tellers.

Tellers were refused.

So the amendment was rejected.

Mr. TEAGUE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. TEAGUE: Page 10, line 25, after the word "institutions", insert "covering attendance on or after September 1953."

Mr. PHILLIPS. The amendment is suggested, as I understand, by the Solicitor for the Veterans' Administration. If it is agreeable to Members on the minority side it is all right on our side.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas.

The amendment was agreed to.

Mr. VAN ZANDT. Mr. Chairman, I move to strike out the last word and ask unanimous consent to proceed for 5 additional minutes and to revise and extend my remarks.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. VAN ZANDT. Mr. Chairman, because of the controversy that has resulted from consideration of the appropriation for the Veterans' Administration for the fiscal year 1954, I am taking this opportunity to discuss the viewpoint of the three largest veterans organizations in the United States, namely, the American Legion, the Veterans of Foreign Wars of the United States, and the Disabled American Veterans.

Several weeks ago, as many of you will recall, due to a lot of misstatements based on lack of information there was developing a bitter controversy concerning the Veterans' Administration appropriation for the fiscal year 1954. In my opinion, this controversy was doing great harm to the veteran, as well as the membership of the Congress of the United States.

As one of several veterans who enjoy the great honor of having served as national commander of one of the Nation's major veterans organizations, we were successful in assembling at a conference, in the Speaker's office, representatives of the American Legion, the Veterans of Foreign Wars of the United States, and the Disabled American Veterans, to confer with congressional leaders, including Chairman TABER, of the House Appropriations Committee, and Congressman JOHN PHILLIPS, of California, and NORRIS COTTON, of New Hampshire, both members of the subcommittee handling the veterans' appropriation for the fiscal year 1954.

In a 3-hour conference, the representatives of these three veterans organizations were given a preview of the proposed recommendations of the House Subcommittee on Appropriations, and after a lively discussion, in which many questions were asked and answered, it was mutually agreed by all present, that while the appropriation bill was not entirely satisfactory, yet in view of the compelling need for economy, it was as much as could be expected at this time.

No doubt many of you have heard that a compromise was reached between congressional and veterans' leaders at this conference. While there was a compromise in the feelings of some present,

there was no compromise in regard to providing essential services for our veteran population.

The principal area of disagreement centered around the appropriation of \$921,100,000 for administration, medical, hospital and domiciliary services in the Veterans' Administration budget for the fiscal year 1954. This figure was contained in the Truman budget request and was the only figure available to the three veterans' organizations prior to May 1, 1953, when the Bureau of the Budget's revised estimate for 1954 was released, calling for \$851,350,000 as recommended in the revised estimates of the Bureau of the Budget.

As the result of the examination of the testimony at the hearing and the discussion that took place at the conference of congressional and veterans' leaders, the veterans' organizations accepted the amount of \$895,710,600 recommended by the committee as being the sum needed to operate the Veterans' Administration without impairing the Administration, medical, hospital, and domiciliary services for the fiscal year 1954.

As part of the appropriation of \$895,710,600 is the amount of over \$555 million to provide for the staffing and operation of Veterans' Administration hospital beds. This amount is approximately \$6 million in excess of the original budget estimate, and was recommended by the Acting Administrator of Veterans' Affairs and the Chief Medical Director as the sum necessary for the staffing and operation of 114,315 hospital beds which the Veterans' Administration estimates is the maximum number of beds they can hope to staff and keep open, under present problems in obtaining needed personnel. Thus, the amount of over \$555 million requested for hospital beds gives assurance that the Veterans' Administration is being given funds to enable them to make available the number of beds they can staff and operate during the fiscal year 1954.

During the course of the conference the need was stressed for beds to hospitalize NP or mental patients. In this connection, it was explained that the Subcommittee of the House Committee on Appropriations told the Veterans' Administration to go ahead and perfect plans for converting excess general medical and surgical beds to NP beds, and when the plans were perfected to request a supplemental appropriation to cover the cost.

The appropriation for outpatient and dental treatment, the privilege of free hospitalization for non-service-connected veterans, the rental of contract beds by the Veterans' Administration, the elimination of the first year's interest on a GI business or home loan, and other items that were not subject to controversy were thoroughly discussed and met with general agreement.

Great concern was shown by veterans' leaders regarding the \$300 million reduction under compensation and pensions. It was explained that the subcommittee estimated that the sum of \$2,246,291,000 would be sufficient to meet all compensation and pension payments during the fiscal year 1954, and that the reduction

of \$300 million could be only a temporary one, should the Veterans' Administration find the amount estimated insufficient for compensation and pension payments to service-connected disabled veterans.

The conference in Speaker MARTIN'S office was most amicable, with a friendly give-and-take attitude on both sides of the table. The friendly atmosphere that prevailed was indicative of the great concern of all present over the bitter controversy that had developed, and a sincere desire on the part of everybody to clarify the situation and dispel any fear that the program of veterans' benefits was being destroyed.

The fruitful results of the conference are evidenced by the following letters written by the spokesmen for the American Legion, the Veterans of Foreign Wars of the United States, and the Disabled American Veterans. You will observe that in speaking for the American Legion, Miles D. Kennedy, director of the national legislative commission of the American Legion, said, in part:

THE AMERICAN LEGION,
NATIONAL LEGISLATIVE COMMISSION,
Washington, D. C., June 15, 1953.

Re H. R. 5690, independent offices appropriation bill for 1954, Veterans' Administration.

To All Members of the House of Representatives:

The above appropriation bill was reported by the House Appropriations Committee on June 11 and is scheduled for debate in the House on June 16.

The American Legion is deeply interested in the portion of the bill that deals with funds for the Veterans' Administration for the fiscal year 1954.

The American Legion has consistently urged the appropriation of \$921,100,000 for administration, medical, hospital, and domiciliary services in the Veterans' Administration budget for the fiscal year 1954. This figure was contained in the original January 9, 1953, budget and is the one and only figure that was available to the American Legion prior to May 21, 1953, when the Bureau of the Budget's revised estimate for 1954 was released. We note that H. R. 5690, the bill under consideration, proposes the sum of \$895,710,600 in lieu of the original Bureau of the Budget estimate of \$921,100,000 for the same purposes. An examination of the testimony presented by representatives of the Veterans' Administration during the hearings before the House Appropriations Subcommittee indicates that the Veterans' Administration should be in a good position to operate its programs for these purposes if granted the sum of \$895,710,600 therefor. In view of these facts the American Legion accepts the amount of \$895,710,600 as being the sum needed to operate the maximum number of beds the Veterans' Administration people testified should be available during the fiscal year 1954, namely 114,315, on a 90-percent occupancy basis.

Under "Compensation and pensions" (pp. 13-14 of the bill) only \$2,246,291,000 is provided; this is a reduction of \$300 million over the 1954 budget estimate. Considering the background for the proposed cut of \$300 million we feel that judgment must be reserved until such time as it is possible to make a further detailed study of the subject. We are very much concerned about any reduction of funds for the service-connected disabled veterans.

We make the same observation with respect to the imposition of an undistributed reduction of \$2 million to be applied to administration and operating expenses. While

our national commander has recommended steps looking toward efficiency and economy in the Veterans' Administration functions we are watching to see that this reduction does not impair or restrict the essential services to veterans.

With reference to the proposed amendment of section 6 of Public Law 2, 73d Congress, the American Legion has taken, and will continue to take, aggressive steps to eliminate every possible abuse of the privilege of Veterans' Administration hospital care of the non-service-connected disabled, limited by existing law to the use of available beds by those financially unable to pay. We favor a tightening of the administrative provisions to eliminate such abuses.

However, we are constrained to believe that the proposed amendment to Public Law 2, 73d Congress, as amended, as set forth at pages 19 and 20 of the bill, might be interpreted to mean that all veterans with non-service-connected disability would have the right to seek treatment in Veterans' Administration facilities, regardless of their financial ability to pay. We do not believe such was the intent of the Appropriations Committee. We feel that the amendment as now drawn could result in a great many more non-service-connected veterans seeking hospitalization in Veterans' Administration facilities than is the case under the present law, if they find they are eligible and can obtain excellent medical treatment at rates below those charged in private hospitals, even though they realize when entering the Veterans' Administration facility they have to pay for their treatment.

The fact that we have not commented on the many other features contained in the bill and report is not to be construed as an indication of our approval thereof.

Thanking you kindly for your favorable consideration of the above as well as your assistance to the end that the interests of deserving veterans may be protected under this important legislation, I am

Sincerely yours,

MILES D. KENNEDY,
Director.

Omar B. Ketchum, director, national legislative service, Veterans of Foreign Wars of the United States, is quoted as saying:

VETERANS OF FOREIGN WARS

OF THE UNITED STATES,

Kansas City, Mo., June 5, 1953.

DEAR MR. VAN ZANDT: This has reference to the conference in Speaker MARTIN's office on the afternoon of June 3, when representatives of the major veteran organizations, including the Veterans of Foreign Wars, were privileged to sit down with the Republican leadership of the House of Representatives to discuss fiscal 1954 appropriations for the Veterans' Administration in general and the medical and hospital program in particular.

I am encouraged—and have so reported my encouragement to our membership—over the results of the meeting in Speaker MARTIN's office. The amicable discussion and friendly give and take resulted in what I believe to be the best compromise that can be worked out in the matter of appropriations for the Veterans' Administration, and particularly for the medical and hospital program. I am sure you realize the compromises were not always satisfactory to both sides, and in some instances were accepted with reluctance, but on the whole I think the recommendations of the House Subcommittee on Appropriations, as outlined by Representative JOHN PHILLIPS on the floor of the House, June 4, following our conference on June 3, represent a budget recommendation that is generally acceptable by the Veterans of Foreign Wars.

I was particularly impressed with and approve wholeheartedly the statement of policy which was offered to be incorporated in

the appropriation bill for the Veterans' Administration which was accepted by the Republican leadership and the subcommittee on appropriations. It is my understanding this statement of policy, if incorporated and approved along with the VA appropriation bill, would authorize the Administrator of Veterans' Affairs, in his discretion, and in accordance with apparent needs, to staff and maintain additional hospital beds beyond the specified 114,315 beds for which specific funds in the amount of \$555 million plus are initially appropriated. In other words, under the statement of policy if the Administrator of Veterans' Affairs determines that additional beds are needed above the 114,315 and he can find the necessary personnel to staff and operate same, he would be authorized to take such action and authorization for additional funds, in a supplemental appropriation, is implied. In my opinion this policy statement will go far to reassure veterans that within reasonable limits and in accordance with the ability of the Veterans' Administration to provide the beds and the staff to operate same that the maximum number of hospital beds will be made available for use.

Thanking you for your sympathetic consideration and intelligent understanding of the needs of our Nation's veterans, and trusting the House of Representatives will approve not less than the recommendations outlined by Representative Phillips in his statement on the floor of the House on June 4, I remain

Sincerely yours,

OMAR B. KETCHUM,
Director.

Francis M. Sullivan, national legislative director, Disabled American Veterans, said in his letter:

DISABLED AMERICAN VETERANS,

Washington, D. C., June 8, 1953.

DEAR JIMMIE: The DAV is proud to have played a part with the Republican leadership, and leaders of the American Legion, and the VFW, upon our conference in Speaker MARTIN's office on Wednesday afternoon, June 3, to confer on the forthcoming second independent offices appropriation bill for the fiscal year 1954.

The DAV recognizes the need for economy, and our organization has done, and will continue to do its part in savings within the Veterans' Administration. Of course, the DAV will object when essential services for disabled veterans are concerned.

At our conference on June 3, the DAV realized that the House Appropriations Committee must make some savings. The forthcoming bill is not entirely satisfactory to us but under the need for economy it is as much as we could expect at the present time.

With best wishes, I am

Very sincerely yours,

FRANK
Francis M. Sullivan,
National Legislative Director.

Mr. Chairman, in concluding my statement, I want to join the spokesmen for the three major veterans organizations, when they say they are accepting this bill, although it is not entirely satisfactory, but the best possible, in view of the imperative need for economy in the affairs of government.

Mr. TEAGUE. Mr. Chairman, will the gentleman yield?

Mr. VAN ZANDT. I yield to the gentleman from Texas.

Mr. TEAGUE. Can the gentleman tell me whether or not the three veterans' organizations, VFW, DAV, and American Legion, agreed to the provisions and the riders placed in this bill?

Mr. VAN ZANDT. All the riders placed in the bill were thoroughly discussed. Some of them were accepted without reservation and others were accepted with reservation.

Mr. TEAGUE. All were accepted by the three major veterans' organizations?

Mr. VAN ZANDT. Yes. They were all accepted by the three major veterans' organizations with reservations, and, may I add, reluctantly.

Mr. TEAGUE. Misstatements have been mentioned; the leadership mentioned misstatements and a number of Members have mentioned misstatements. Will the gentleman identify and say what he is talking about.

Mr. VAN ZANDT. They had to do with the \$921 million, which, in my opinion, was the basis for all such statements.

Mr. CANFIELD. Mr. Chairman, will the gentleman yield?

Mr. VAN ZANDT. I yield to the gentleman from New Jersey.

Mr. CANFIELD. The gentleman has referred to the \$300 million cut in the item "Compensation and pensions." The committee report very forthrightly said this:

The committee recognizes the fact that funds provided for this purpose are to meet a contractual obligation of the Federal Government. If an additional sum is required during the next fiscal year, the committee will recommend funds to meet the situation.

I know the gentleman from Pennsylvania has studied the bill very carefully and also the report. He knows of no directive, express or implied, to cut it \$300 million.

Mr. VAN ZANDT. The gentleman from New Jersey is absolutely correct, and I can say that the veteran groups want it understood the \$300-million cut is not a directive to the Veterans' Administration to cut any service-connected disabled veteran. That responsibility rests with the House Committee on Veterans' Affairs to recommend changes in existing law.

Mrs. ROGERS of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. VAN ZANDT. I yield to the gentlewoman from Massachusetts.

Mrs. ROGERS of Massachusetts. Did the veterans' organizations say that they endorsed the principle of legislating in appropriation bills?

Mr. VAN ZANDT. I cannot answer that question because we did not discuss the subject. We talked about the amount of money involved and the services to be provided the veteran and his dependents.

Mrs. ROGERS of Massachusetts. I understand that the veterans' organizations, the Legion, anyway, recommended an appropriation of \$900 million plus, and that the committee cut it only by \$25 million; is that correct?

Mr. VAN ZANDT. In accordance with the letter I have here from the American Legion, they very specifically said and I quote, "that in view of these facts the American Legion accepts the amount of \$895,710,600."

Mrs. ROGERS of Massachusetts. Which is only \$25 million less than recommended, I understand.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. MCGREGOR. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, all of us are greatly interested in H. R. 569, known as the independent offices appropriation bill for 1954, which covers appropriations for the Veterans' Administration and I emphasize that we are especially interested in the appropriation covering the Veterans' Administration.

Some weeks ago we were deluged with letters from our constituents who were interested in the veterans' problems demanding that we reinstate the amount that had been deducted by the Appropriations Committee changing the sum of \$921,100,000 to \$895,710,600. Evidently, some word had gone out to these good veterans that it was the intention of Congress to jeopardize the veterans' program.

As 1 veteran of this Congress, and I feel that I am joined by at least 300 other veteran Members of this legislative body, and practically all of those who are not veterans, when I say that it is certainly not the intent to, in any way, jeopardize the veterans' program. But, I do say, and I think I am joined with the others, that we want the redtape and inefficiency cut out of the Veterans' Administration so that the veterans can have the service and consideration that rightfully belongs to them. Many of us are of the opinion that money appropriated to the Veterans' Administration has not been used in an efficient manner and I am personally calling upon the Veterans' Administration to fire those individuals who are not giving courteous treatment, efficient service, and dollar value for dollar received.

I have many, many letters citing the discourteous treatment that our veterans are receiving and it is time that we have a house cleaning in the Veterans' Administration.

I have always supported, will support this legislation, and will continue to support legislation that will give to our veterans the treatment and consideration which they so rightfully deserve. The veterans have fought to retain our freedoms and certainly we should give them a sufficient amount of money so that they may receive medical and hospital treatment to which they are entitled.

Mr. Chairman, I would like to include in my remarks a statement from the American Legion's National Legislative Commission which clearly sets forth that the National American Legion is in accord that the budget for the Veterans' Administration should be reduced to \$895,710,600 as previously decided. I think the Legion and their staff are to be congratulated on having sent word out to the various posts that \$895,710,600 is sufficient instead of \$921,100,000. I am certain that the American Legion, and I am a past post commander, fully recognizes that it is not necessary to give more money than is needed and they also recognize that heavy taxes are a drain and burden on the veteran and his family and unnecessary expenses make additional taxes.

THE AMERICAN LEGION,
NATIONAL LEGISLATIVE COMMISSION,
Washington, D. C., June 15, 1953.

Re H. R. 5690, independent offices appropriation bill for 1954, Veterans' Administration.

To All Members of the House of Representatives:

The above appropriation bill was reported by the House Appropriations Committee on June 11 and is scheduled for debate in the House on June 16.

The American Legion is deeply interested in the portion of the bill that deals with funds for the Veterans' Administration for the fiscal year 1954.

The American Legion has consistently urged the appropriation of \$921,100,000 for administration, medical, hospital, and domiciliary services in the Veterans' Administration budget for the fiscal year 1954. This figure was contained in the original January 9, 1953, budget and is the one and only figure that was available to the American Legion prior to May 21, 1953, when the Bureau of the Budget's revised estimate for 1954 was released. We note that H. R. 5690, the bill under consideration, proposes the sum of \$895,710,600 in lieu of the original Bureau of the Budget estimate of \$921,100,000 for the same purposes. An examination of the testimony presented by representatives of the Veterans' Administration during the hearings before the House Appropriations Subcommittee indicates that the Veterans' Administration should be in a good position to operate its programs for these purposes if granted the sum of \$895,710,600 therefor. In view of these facts, the American Legion accepts the amount of \$895,710,600 as being the sum needed to operate the maximum number of beds the Veterans' Administration people testified should be available during the fiscal year 1954, namely, 114,315, on a 90-percent occupancy basis.

Under "Compensation and pensions" (pp. 13-14 of the bill), only \$2,246,291,000 is provided; this is a reduction of \$300 million over the 1954 budget estimate. Considering the background for the proposed cut of \$300 million, we feel that judgment must be reserved until such time as it is possible to make a further detailed study of the subject. We are very much concerned about any reduction of funds for the service-connected disabled veterans.

We make the same observation with respect to the imposition of an undistributed reduction of \$2 million to be applied to administration and operating expenses. While our national commander has recommended steps looking toward efficiency and economy in the Veterans' Administration functions, we are watching to see that this reduction does not impair or restrict the essential services to veterans.

With reference to the proposed amendment to section 6 of Public Law 2, 73d Congress, the American Legion has taken, and will continue to take, aggressive steps to eliminate every possible abuse of the privilege of Veterans' Administration hospital care of the non-service-connected disabled, limited by existing law to the use of available beds by those financially unable to pay. We favor a tightening of the administrative provisions to eliminate such abuses.

However, we are constrained to believe that the proposed amendment to Public Law 2, 73d Congress, as amended, as set forth at pages 19 and 20 of the bill, might be interpreted to mean that all veterans with non-service-connected disabilities would have the right to seek treatment in Veterans' Administration facilities, regardless of their financial ability to pay. We do not believe such was the intent of the Appropriations Committee. We feel that the amendment as now drawn could result in a great many more non-service-connected veterans seeking hospitalization in Veterans' Administration fa-

cilities than is the case under the present law, if they find they are eligible and can obtain excellent medical treatment at rates below those charged in private hospitals, even though they realize when entering the Veterans' Administration facility they have to pay for their treatment.

The fact that we have not commented on the many other features contained in the bill and report is not to be construed as an indication of our approval thereof.

Thanking you kindly for your favorable consideration of the above as well as your assistance to the end that the interests of deserving veterans may be protected under this important legislation, I am

Sincerely yours,

MILES D. KENNEDY,
Director.

Mr. THOMAS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I rise to propose an inquiry to our beloved chairman. I wonder if the gentleman from California would be inclined to move at this time that the remainder of the chapter dealing with the Veterans' Administration be thrown open for debate, and that all debate upon the chapter end in some, say, 20 minutes?

Mr. PHILLIPS. Yes, I think it would be advisable to suggest some time. I suggest the bill be considered as read and open to amendment at any point, because I think the bill has been discussed so fully that everyone understands what the points are in it. I will ask that first.

Mr. TEAGUE. Is that a unanimous-consent request?

Mr. PHILLIPS. Yes.

Mr. TEAGUE. I object, Mr. Chairman.

Mr. PHILLIPS. I was about to move it, because the gentleman from Texas understands this does not end debate.

Mr. TEAGUE. I understand, but it gives the committee preference on amendments and discussion of the bill. I object.

Mr. THOMAS. How much time is desired? I suggest 25 minutes, Mr. Chairman.

Mr. SECREST. There are several of us that have been waiting to discuss some of these amendments. The gentleman from Indiana [Mr. ADAIR] has what I think is a very important amendment to this bill. Will there be assurance that we will have ample time to discuss that amendment? Some of us have used no time at all. We are waiting for that amendment.

Mr. PHILLIPS. To which amendment does the gentleman refer?

Mr. SECREST. The Adair amendment.

Mr. PHILLIPS. There are several Adair amendments.

Mrs. ROGERS of Massachusetts. I have an amendment also.

Mr. SECREST. It would be the one on non-service-connected hospitalization, in which the provision is made that they shall pay for part care.

Mr. PHILLIPS. I presume the matter is taken care of since objection was made to my unanimous-consent request and under the parliamentary ruling I cannot move at present that the reading of the section be dispensed with.

Mr. HALLECK. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. HALLECK. Do I correctly understand that it is not in order to move that the bill be considered as read and open to amendment at any point?

The CHAIRMAN. The Chair doubts that the motion would be in order at this time.

Mr. THOMAS. May I state that it is not the disposition of any of the committee members to cut off debate unduly, but our distinguished majority leader has stated that he wants this bill concluded this afternoon, and perhaps he has some other matters to be considered this afternoon after this has been concluded, so I wonder if we cannot agree on some reasonable length of time. Would 30 minutes suit everybody?

Mr. HALLECK. As I understand the parliamentary situation, before we could limit debate on the whole paragraph, since it has not been read, we would have to have it considered as read and open to amendment at any point.

Mr. THOMAS. That is the entire chapter, the gentleman means.

Mr. HALLECK. Then it would be my idea that a 30-minute limitation should be sufficient. I am sure the membership generally would recognize that those Members who have amendments they want to offer and speak on should be recognized and given an opportunity. With that idea in mind, Mr. Chairman, I ask unanimous consent that the section on the Veterans' Administration be considered as read, and be open to amendment at any point.

Mr. TEAGUE. I object, Mr. Chairman. The Clerk read as follows:

Out-patient care: For expenses necessary for furnishing out-patient care to beneficiaries of the Veterans' Administration, as authorized by law, including not to exceed \$190,140 for expenses of travel of employees; \$92,677,900, of which not exceeding \$23 million shall be available for out-patient dental care: *Provided*, That no part of this appropriation shall be available for out-patient dental care and treatment, or related dental appliances, when the dental condition or disability being treated is not compensable, unless such condition or disability is shown to have been in existence at time of discharge and application for treatment is made within 1 year after separation from service, or 1 year after the enactment of this act, whichever is later: *Provided further*, That when any such noncompensable dental condition or disability has once been corrected, additional care and treatment therefor may not be provided.

Mr. FORD. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Ford: On page 13, line 1, after the colon following the word "care" strike out the remainder of line 1 through 11 and insert the following: "*Provided*, That no part of this appropriation shall be available for outpatient dental services and treatment, or related dental appliances with respect to a service-connected dental disability which is not compensable in degree unless such condition or disability is shown to have been in existence at time of discharge and application for treatment is made either 2 years after separation from active service, or 1 year after enactment of this act, whichever is later: *Provided*, That this limitation shall not apply to adjunct out-

patient dental service or appliances for any dental condition associated with and held to be aggravating disability from some other service-incurred or service-aggravated injury or disease."

Mr. FORD. Mr. Chairman, my amendment coincides rather closely with the amendment included in the bill by the committee. The problem we are trying to attack is precisely this. When a man goes into the service, any one of the three branches, and if he or she has a tooth filled, a single tooth or all of his or her teeth, that tooth or those teeth become service-connected disabilities for perpetual veteran care as long as that person is alive. In other words, we now have about 20 million servicemen or GI's who have potential service-connected disabilities of this sort. Each year we are now turning out of the three branches of the service about 900,000 additional people who are potential dental patients of the Veterans' Administration. Let me just read to you what the Surgeon General of the Army recently testified before our Subcommittee of the Committee on Appropriations. General Armstrong said, "I would guess it is 100 percent." In other words, what he was answering was this: I asked him how many people in the Army from the time they entered the service until they were discharged received dental treatment including the filling of a tooth, and he said approximately 100 percent.

Mr. THOMAS. Mr. Chairman, will the gentleman yield?

Mr. FORD. I am glad to yield to the gentleman.

Mr. THOMAS. If the gentleman would briefly explain his amendment so that we may understand it properly, and explain how his amendment changes the committee amendment, I believe our distinguished chairman would be willing to adopt the amendment.

Mr. FORD. I will be glad to explain it.

Mr. PHILLIPS. Mr. Chairman, will the gentleman yield?

Mr. FORD. I yield.

Mr. PHILLIPS. Mr. Chairman, we are constrained to accept it. The gentleman must remember it is hard to listen to an amendment, and then say, "Well, yes; surely that is satisfactory, in detail." If it is by any chance not exactly right that can be ironed out, and we are willing to accept it.

Mr. FORD. Mr. Chairman, my amendment primarily takes the language of a bill introduced by the gentleman from Texas [Mr. TEAGUE], H. R. 5007, and makes one change. The Teague bill provided that there was to be a 3-year period for filing claims. My amendment to the committee bill makes it a 2-year period. In other words, it is half way between the Teague bill and the committee bill.

I believe all of the veterans' organizations are on record in favor of this kind of legislation, some of them more forcibly than others.

Mr. TEAGUE. Mr. Chairman, will the gentleman yield?

Mr. FORD. I yield.

Mr. TEAGUE. It is very true that I introduced that bill. It is very true that I am for some legislation of that type.

I wrote the Veterans' Administration for an opinion from the Solicitor on the bill I introduced and he wrote back that there was much in the bill that needed correcting, that a lot of terms were used there that would be interpreted in different ways, and suggested that it not be passed in the form that it is. I suggest we should have hearings on it and try to perfect it. I agree that the dental program has gotten out of control, and has gone too far, that we should have legislation, but I am not in favor of this amendment until I know what it means.

Mr. FORD. I might say to the distinguished gentleman from Texas that as we face the situation today, the outpatient dental treatment is costing the Veterans' Administration about \$35 million a year. The committee amendment would cut out about \$20 million worth of this expenditure to the Veterans' Administration. I think my amendment would make it about the same. I respect the point of view of the gentleman from Texas, but as a practical matter, if we want to solve this problem right now during this session, there is only one way to get any action and that is on this appropriation bill. If we await action by the Committee on Veterans' Affairs, and subsequent action in the House and in the other body, we will never get it during this session or the next session. I say if you want action to save \$20 million a year, and to bring under control a problem that is getting worse and worse and worse; this is the only time that you can do it and the only way in which it can be done.

Mr. LONG. Mr. Chairman, I rise in opposition to the amendment.

Mr. PHILLIPS. Mr. Chairman, will the gentleman yield for unanimous-consent request?

Mr. LONG. I yield to the gentleman from California.

Mr. PHILLIPS. The request is that the discussion on this amendment and all amendments thereto close after the gentleman's time has expired.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. LONG. Mr. Chairman, I am not in opposition to this bill by any means. I rise only to add my humble word and, as a dentist, to be helpful. You are not going to solve this problem that the gentleman just spoke to in this way. I am presently cooperating with the members of the American Dental Association, and the American Medical Association, and with the committee of which I am a member, the Veterans' Affairs Committee, in the preparation of a bill that we soon expect to introduce.

The gentleman spoke of saving \$20 million. If we can write the kind of bill that we plan, we will save \$100 million.

I had an amendment here that I wanted to offer, merely to hold this matter in abeyance for a short time, to strike out some of the language and give us a chance to perfect the kind of legislation that we need. You are not going to do it on an appropriation bill in committee and, in one or two sections, take care of a matter of this kind.

Let me tell you just what I am talking about. There was wasted in handling veterans' affairs more than \$70 million in examinations alone. We propose, in the preparation of this bill, to remedy this situation and fix it so that we will spell out what they can do and what they cannot do, and in that way save this country millions of dollars.

If you defeat this amendment and adopt the one that I am going to propose, if you give us a few days, I will guarantee that we can come back here and be helpful to this committee and to this Congress, and we know what we are talking about.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. LONG. I yield to the gentleman from Indiana.

Mr. HALLECK. I might suggest to the gentleman that this appropriation bill will go to the other body, who will act on it, and then it will go to conference. It might well be that the language the gentleman has in mind could take the place of this language, in conference, if deemed desirable.

Mr. LONG. I thank the gentleman. I yield back the balance of my time, Mr. Chairman.

The CHAIRMAN. All time has expired.

The question is on the amendment offered by the gentleman from Michigan [Mr. FORD].

The question was taken; and on a division (demanded by Mr. JAVITS) there were—ayes 82, noes 54.

So the amendment was agreed to.

The Clerk read as follows:

Compensation and pensions: For the payment of compensation, pensions, gratuities, and allowances (including subsistence allowances authorized by part VII of Veterans Regulation 1a, as amended), authorized under any act of Congress, or regulation of the President based thereon, including emergency officers' retirement pay and annuities, the administration of which is now or may hereafter be placed in the Veterans' Administration, and for the payment of adjusted-service credits as provided in sections 401 and 601 of the act of May 19, 1924, as amended (38 U. S. C. 631 and 661), \$2,246,291,000, to be immediately available and to remain available until expended.

Mrs. ROGERS of Massachusetts. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ROGERS of Massachusetts: On page 14, line 2, after the comma, strike out the sum and insert "\$2,546,291,000."

Mrs. ROGERS of Massachusetts. Mr. Chairman, this amendment restores to the bill the \$300 million the committee struck out insofar as payment of compensation and pensions is concerned.

Mr. PHILLIPS. Mr. Chairman, will the gentleman yield briefly?

Mrs. ROGERS of Massachusetts. I yield.

Mr. PHILLIPS. I just want to make it clear that what the distinguished gentleman is asking for is the original Truman budget that was reduced by the Dodge budget. That reduction was accepted by the Veterans' Administration.

Mrs. ROGERS of Massachusetts. My understanding was that the committee

has stated that they would come in at a later time if there was need and grant additional funds.

In the hearings on pages 784 to 882 there are certain recommendations that alarm me very much and I think should alarm the other Members of the House. The recommendations are easily stated:

Non-service-connected pensions plus a combined ceiling on all pensions, veterans, social security, civil-service retirement, railroad retirement, and so forth.

First. Legislative study of non-service-connected pensions.

Second. Place a combined ceiling on all pensions from Federal Government—VA, social security, civil-service retirement, railroad retirement, and so forth.

Third. Comprehensive review with respect to service-connected compensation—presumably with respect to having a ceiling on earning capacity and receipt of compensation.

Fourth. Tighten up pension requirements at age 65.

The report indicates that if the above recommendations are followed, approximately \$300 million can be saved as follows:

First. Curtailment of non-service-connected pensions by 30 percent.

Second. Elimination of one-third of 10 and 20 percent compensation cases by imposition of income restriction.

Third. Review of static cases and general tightening up of rating philosophy.

The report then gives a number of cases of both service-connected and non-service-connected cases which the report indicates substantiate the viewpoint of the investigators.

Mr. THOMAS. Mr. Chairman, will the gentleman yield just briefly, and I will ask that she be given more time if she desires it.

Mrs. ROGERS of Massachusetts. I appreciate that very much, I may say to the gentleman.

Mr. THOMAS. Let me say to our distinguished chairman of the Veterans' Affairs Committee that it is not the intention of the Subcommittee on Appropriations to deny one penny of benefits in the way of pensions and compensation. The gentleman knows perhaps better than anybody on this floor that when you begin to estimate the amount of pensions and compensation that run in excess of \$2-billion, somebody is going to have to do considerable guesswork. Those pensions are valid existing obligations of the Government and whatever that amount is going to be in the final analysis, this Congress is going to vote it.

Mrs. ROGERS of Massachusetts. I cannot yield further.

Mr. THOMAS. Mr. Chairman, I ask unanimous consent that the distinguished gentleman from Massachusetts, chairman of the great Veterans' Affairs Committee, may proceed for an additional 5 minutes. If she is not entitled to it nobody on the floor is.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. THOMAS. The point is that the committee has to guess just like the Bu-

reau of the Budget does on these pensions. We have put a transferability clause in here, of 5 percent, which has never been done before; and if we miss our guess we are going to come right back here and supply every penny just like the gentleman herself would. But as the matter stands to date, the committee has guessed a little more accurately than the Bureau of the Budget on these matters.

Mrs. ROGERS of Massachusetts. I may say to the gentleman that even though he has asked additional time for me, I will not have any time left if he speaks longer.

Mr. THOMAS. If the gentleman wants more time I am sure the committee will give it to her.

Mrs. ROGERS of Massachusetts. I have but 5 minutes. I suggest that the gentleman talk in his own time.

Mr. PHILLIPS. The gentleman knows that she has an additional 5 minutes, does she not?

Mrs. ROGERS of Massachusetts. I know, but not now because most of it has already been used by the gentleman from Texas.

Mr. PHILLIPS. The gentleman may not realize it, but we have included in this bill a 5 percent transferability clause which means that 5 percent can be transferred from any of these funds to make it available in any other.

Mrs. ROGERS of Massachusetts. I realize that, but there may be a trick there without our knowing it. You see I know about the cleverness of Californians, Texans, and so forth.

The report indicates that if the above recommendations are followed, approximately \$300 million can be saved. That is the thing we are watching for and that is the thing we worry about. There is a curtailment of non-service-connected pensions by 30 percent, there is the elimination of one-third of 10 and 20 percent compensation cases by the imposition of income restriction and there is the review of static cases and a general tightening up of rating philosophy.

What does this mean to the people who have struggled and struggled and struggled to get a higher rating for very serious disabled veterans?

Then the report gives a number of cases of both service-connected and non-service-connected cases which the report indicates substantiates the viewpoint of the investigators.

I would be satisfied except I do not like this savings of \$300 million as a result of the recommendations that are in the hearings. I think it is very dangerous and it is just the amount that the savings is supposed to take care of.

It looks to me very much like legislation, and I greatly deplore legislation on appropriation bills. You might just as well abolish the Committee on Veterans' Affairs. I talked with a newspaperman who has just secured information on the casualties in Korea and he informs me they are running now 2,000 casualties a day. That includes the South Koreans as well as our own men. Our load is going to increase.

In view of the statement made by the gentleman from Pennsylvania [Mr. VAN

ZANDT] I realize I can probably get nowhere with this amendment to increase this bill \$300 million, but I would feel very much happier if it were in the bill. It is a limitation. It is not legislation on an appropriation bill, I know. Other propositions that have been taken up in the bill are legislative provisions in an appropriation bill. In trying to get something for severely disabled veterans in an appropriation bill, I have failed in the past.

We are in the midst of the most horribly dangerous situation that our country has ever been placed in. I have been home recently and I think sometimes I hear from nearly every human being. I hear from the mothers and fathers of sons who are in Korea and the fathers and mothers of those boys who may have to go to Korea. I terribly deplore any action that will deny any benefits to these men just as we have given to veterans of the other wars.

This is not an easy time for those who are anxious about our country, who are worried about the spread of communism. I am terribly unhappy over any limitation of debate on this bill. We spent 4 or 5 hours debating the provision of this bill having to do with the Atomic Energy Commission and the provision having to do with TVA, yet an effort is made to limit debate on the provision that refers to our veterans.

The committee has done a great many fine things in connection with the hospital program, I grant that, things that I am very happy about, but I do wish the committee would give us time, the Committee on Veterans' Affairs, to consider and recommend legislation on certain things. I think something can be accomplished in the way of savings. On the other hand, I am horrified at the writing off of a man's life, because it is life to him and his family if the 20 percent ratings are cut and they get nothing. The wiping out of the 10-percent disability is in the same category. They will have no veteran's preference other than the fact they are a veteran. It is not right.

I believe that the House, perhaps not on this bill but in future bills, will consider not writing legislation in appropriation bills. It is thoroughly bad, it is thoroughly dangerous.

I would like to add that I congratulate the Appropriations Committee for breaking down the general administration item into specific operational items because I believe that that will make for a better understanding on the part of the Congress, and the public generally, of how the money is being spent. I hope that the Appropriations Committee will pursue this matter further. More detail could be provided with considerable resulting good effect for all concerned. The amounts authorized in the bill before us seem to me to be much more realistic than the budget estimate as originally presented.

However, in that connection I am sympathetic, too, with the problem which the Appropriations Committee faced because of the difficulty which it has experienced in dealing with the Veterans' Administration. I have had con-

siderable experience with that myself. I have had conflicting answers and conflicting testimony given to my committee. One set of figures has been furnished one Member of Congress, another set has been furnished another Member, and the result has been confusion, and I do not think that the public generally or the veterans have been served by such tactics. I hope the new administrator will correct this situation.

However, Mr. Chairman, the debate on this bill focuses attention on a number of very important items, and one of the most important is that the committees charged with operating that particular field should have that responsibility and they should exercise it. They should not be usurped by any other committee of the House. I feel very deeply that for a number of months the Appropriations Committee has been encroaching more than ever upon the work of the legislative committees of the House. Members will note that in the report accompanying this bill and in the bill itself, there are several specific instances of limitations, or legislation, on the appropriation bill. In some instances there has been a very limited, if any, consideration of the subject sought to be treated.

Regardless of the merits of the so-called housing gratuity of \$160, that matter should have been considered first by the Committee on Veterans' Affairs prior to its consideration by the Appropriations Committee and the Appropriations Committee should not usurp the right of cutting off funds for that function simply because it believes money can be saved there. The Congress, in considering the Servicemen's Readjustment Act, provided that the Government would pay to the veteran, or rather to the lender in behalf of the veteran, a sum equal to 4 percent of the amount guaranteed. This means that each veteran had paid on the principal loan outstanding in his behalf \$160 whenever he purchased a house. It was a small amount for the individual veteran and truly one that he did not immediately feel but, nevertheless, it was a real benefit. With the interest rate now increased to 4½ percent the housing which veterans of World War II and Korea are getting is anywhere from \$600 to \$700 and maybe \$1,000 or more higher over the life of the 20-year loan than it was for those who were fortunate enough to buy prior to the interest-rate increase or prior to the limitations the Appropriations Committee has now written into this bill.

In this connection the Acting Administrator of Veterans' Affairs recently advised that—

It may be noted that since the removal of credit restriction of April 23, 1953, greater flexibility is now permitted on the application of the gratuity payment. The manner in which it is applied is determined by the agreement between the lender and the veteran, but the veteran may now request that the gratuity be applied to meet regular monthly mortgage payments as they accrue, thus giving him an immediate benefit. For example, if the monthly mortgage payment is \$53.33 or less, the \$160 gratuity would

give the veteran a 3-month breathing spell soon after the loan is made. Even if the gratuity payment is initially applied as a prepayment of principal, future interest accruals will be proportionately reduced so that the loan will be paid off several months earlier if payments are made on schedule. Moreover, it does not necessarily follow that in the event the gratuity is applied to the principal balance of the loan, the veteran will obtain no tangible benefit until the final maturity approaches. This is true because, in such a case if the veteran later encounters financial distress, he may request the reapplication of the gratuity payment to cure the delinquency resulting from his inability to meet his regular mortgage payments. In this aspect the gratuity thus provides a cushion against a period of distress.

Notwithstanding the foregoing, it is realized that this matter is one of policy which involves the consideration on the one hand of the material savings which would result from the elimination of the gratuity payment and on the other hand of factors such as the possible arguments of discrimination against World War II, and particularly Korean conflict veterans, who have not yet availed themselves of their loan entitlement under the Servicemen's Readjustment Act, and the fact that the withdrawal of this element of the total assistance now available to the veteran would further reduce the preferred position intended to be accorded him by the loan-guaranty program under the Servicemen's Readjustment Act.

I note, too, that the Appropriations Committee states in its report that Public Law 36 should be repealed in order for money to be saved in the insurance program. Now this public law was enacted for the benefit of the insureds. It was enacted in an effort to place the national service life insurance act on a par with commercial policies in the practice of commercial insurance companies insofar as the use of dividends is concerned to maintain an insurance policy in full force and effect. It is quite true that difficulties have arisen in administration but the Committee on Veterans' Affairs has already made a survey of this problem in connection with a general survey conducted by the Subcommittee on Administration and Finance in the Veterans' Administration and the Subcommittee on Insurance. House Committee Print 55 has been published and the problem in connection with Public Law 36 is clearly stated therein. One of these committees will act in this field probably before the current session adjourns but it is a matter which requires careful consideration and it is a legislative problem and not an appropriation item and the Appropriations Committee should not arrogate to itself the authority to either terminate this act or to otherwise amend it by refusing to appropriate proper funds. The Assistant Administrator for Insurance has recently installed new automatic equipment in the Philadelphia office which he believes will go far toward solving this problem but our committee can be of assistance in solving the problem on a permanent basis and not on a piecemeal basis as it is likely to be done if the Committee on Appropriations operates in the field.

One of the most controversial items, certainly legislation on an appropriation bill, is the proviso which the Appropriations Committee seeks to include of

providing new controls over the granting of hospitalization for non-service-connected disabled veterans. This is a complicated problem and one which cannot be solved by the limited consideration which the Appropriations Committee gave it nor by legislating here on the floor of the House. There is legislation on this subject pending before the Committee on Veterans' Affairs. The Subcommittee on Hospitals headed by the gentleman from New York, Mr. KEARNEY, has jurisdiction of this subject and I feel sure will meet its responsibility at the proper time in the proper way.

With regard to hospitalization, the Acting Administrator of Veterans' Affairs, Mr. H. V. Stirling, says:

This proposal will obviously impose serious administrative burdens. For example, it would appear that some procedure will be necessary from which to make a preliminary determination of ability to pay and a determination whether further investigation is indicated, notwithstanding the sworn statement that the veteran is unable to defray the expense of hospitalization. This might require some such procedure as revision of the application form to require a financial statement, and this would present complexities as to what items were properly for inclusion and exclusion on such a statement. Depending upon what preliminary facts might disclose, there would then arise the question as to what cases would justify further investigation and how extensive such an investigation should be, considering the expense involved and the possible results.

There would exist the administrative problem of how to fix the charges and prorate them in accordance with the individual's ability to pay as well as the difficulties of estimating ability to pay on a uniform basis, in view of the many variations in individual circumstances. This would in some long-time cases also entail the determination of whether payments should be exacted throughout the course of hospitalization and how to gear the amount charged to the probable duration of hospitalization. In some cases it might be necessary to wait until the end of the period of hospitalization to determine what a proper charge would be. Finally, having fixed a charge, the problem of collection would frequently become a troublesome one, possibly involving the question of offsetting the amounts charged against items otherwise payable to the veteran.

I am also distressed, Mr. Chairman, by some of the activities of the Appropriations Committee in its so-called staff studies of the Veterans' Administration. A part of the overall report has been placed in the hearings before the Appropriations Committee, namely, that part which deals with compensation and pensions. I have known about this report for some time, though I have never been furnished with a copy, although it seems to me that since the committee of which I have the honor to be chairman has jurisdiction of this subject, it would have been the courteous thing to have given me a copy of this report, and at the same time to have made copies available to our committee. I have written for a copy of it, but to date have not received one nor have I received a reply. This despite the fact that copies have been given to executive agencies.

Insofar as the compensation and pension study is concerned, I believe that it was made by two gentlemen from the General Accounting Office and one from private business. The study continued

over a period of several months. The basic philosophy underlying this study is that veterans should be treated as any other individual in society and that the Government owes him no special obligation. On that point, Mr. Chairman, I disagree entirely and completely. I believe that the veteran is a special class in a special group in our society. We hear a lot about the statement that the Nation is fast becoming a nation of veterans. The veteran population of the country is something like 20 million. Assuming that there are 3 people in each veteran's family, that makes 60 million and still considerably less than 50 percent of the total population of America. But regardless of that fact, it does not diminish in the least the responsibility of the Federal Government in this field. The Government has asserted the right to draft men into the Armed Forces and I would certainly agree that it has that right. At the same time it must assume the responsibility for its acts in this field.

We can all think of many individuals who did not go to war, who stayed home and put up with the headaches of rationing and other inconvenience of a wartime economy but they did not sacrifice and most in many instances they profited very well while other people were away suffering for their country. To deny that the group who had to go has no special place seems to me to fly in the face of the facts and moral responsibility.

The staff study to which I have referred starts off very carefully by citing the so-called abuses of the non-service-connected pension program. They would reduce this program by either placing a limit on the total income that a man may have despite the fact that there is a rather rigid ceiling on the figure today, and by further making possible that income received from social security must be combined in determining the income which the veteran receives. Then the staff study very carefully and casually builds up the consideration of the compensation cases. These cases in every and each instance involve service-connected disabled veterans, men who have service-incurred disability—incurred either in combat or as a part of their service. In this connection, Mr. Chairman, I think it should be borne in mind that men who lose a leg in the camp or some other place while they are in the service do not have any control over whether they shall go to the front lines or whether they will stay in the rear or whether they will lose a leg on a weekend pass while they are going home to see their loved ones. They are serving as a result of their Federal Government order to participate.

In any event, these compensation cases too are criticized by the staff study. The premise of the study is that these men, these service-connected disabled veterans are out earning a living and that there is no real good reason why the Federal Government should pay them any compensation. I think that very few people will agree with that conclusion if they take the time to think the problem through. Suppose a man has

lost a leg, or two legs, or an arm, and he overcomes the handicap and makes a good salary. We have always tried to encourage the handicapped. Are we to reverse this policy? He lost that arm, or that leg, or both legs, in the service of his country and I think the Government should recognize that and act accordingly, and that is the whole basis of the activity of the Federal Government in this field. If we retreat in this field today, Mr. Chairman, if we start cutting service-connected compensation we will, in a short time, be cutting out the veterans' program altogether. I know that the people would be the ones to last deny that they wanted to hurt the veterans but I have seen enough in this Congress and I have seen enough in the 28 years of public service to know the handwriting on the wall when I see it.

There are no easy answers to the problem, Mr. Chairman, but we can find it if we proceed in an orderly manner.

The CHAIRMAN. The time of the gentlewoman from Massachusetts has expired.

Mr. PHILLIPS. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I am sure the distinguished gentlewoman from Massachusetts neglected to make a statement which she intended to make, on account of her time running out. Although this committee had, by recalculation, reduced the amount for compensation and pensions a very moderate amount, considering the entire bill, that we had actually increased by recalculation, on page 16, for example, national life insurance more than 50 percent and that we had recalculated and increased the servicemen's indemnity by more than we reduced compensations and pensions. We are dealing with large figures, which undoubtedly makes this figure seem large to the gentlewoman from Massachusetts.

Mrs. ROGERS of Massachusetts. I did neglect to say that. I realize that is true. I realize the gentleman increased the appropriation for hospitals, but I would like to point out that California and New Hampshire fared fairly well in that respect.

Mr. COTTON. What does the gentlewoman mean, New Hampshire? There is no hospital given New Hampshire.

Mrs. ROGERS of Massachusetts. But you are going to open this hospital, and I am delighted.

Mr. PHILLIPS. The gentlewoman is wrong and that is an unfortunate statement to make about her colleagues. All hospitals on that list, no matter where they are, were next in line on the Veterans' Administration; not our list.

Mrs. ROGERS of Massachusetts. I mean it as a matter of result, as a practical matter. May I just say this also, I hope very much that the hospital here in Washington can be built. That was, I think, recommended by the VA. I do not remember whether the budget accepted it or not. I am delighted that you have the money for the 114,000 beds, and I will say to the gentleman from New Hampshire, my neighbor, I am delighted that his hospital will be built.

Mr. PHILLIPS. I move, Mr. Chairman, that all debate on this section and

all amendments thereto close at once.

Mr. ROGERS of Florida. Mr. Chairman, before the gentleman makes that motion, will he yield?

Mr. PHILLIPS. I yield to the gentleman from Florida.

Mr. ROGERS of Florida. I want to ask the gentleman with reference to this \$300 million just spoken of by the gentleman from Massachusetts. Irrespective of what we do here, there is a liability on the part of the Government to pay this \$300 million for compensation and pensions.

Mr. PHILLIPS. The gentleman is right. There is no difference between this year and the other 6 years that I have been on this subcommittee.

Mr. ROGERS of Florida. And if there does happen to be a deficit, we would have to make it up by bringing in a supplemental bill.

Mr. PHILLIPS. That is right, but we usually calculate better than the Veterans' Administration.

Mr. EVINS. Mr. Chairman, will the gentleman yield?

Mr. PHILLIPS. I yield to the gentleman from Tennessee.

Mr. EVINS. The distinguished chairman has spoken of raising the amount of money for hospitalization and medical care. In that regard I repeat that the committee is to be congratulated, but while increasing funds for veterans' hospitalization and medical care the committee cut very deeply in compensation, and pension benefits, readjustment benefits, and other services for veterans. We hear about veterans' costs going up and increasing day by day.

Mr. PHILLIPS. We were building more hospitals.

Mr. EVINS. The facts are that over all veterans' benefits have been drastically reduced over the years. Yes, I congratulate the members of the subcommittee for increasing money for hospitals and medical care, but at the same time I insist that there have been very drastic cuts in other veterans' benefits.

Mr. PHILLIPS. Not the service-connected veterans.

Mr. HAGEN of California. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. HAGEN of California. Is there a motion pending which would limit any additional amendments to this section pertaining to veterans?

Mr. PHILLIPS. No; just to this paragraph covering compensation and pensions.

Mr. TEAGUE. The gentleman means the unnumbered sections?

Mr. PHILLIPS. That is right. My intention was not to stop amendments relating to other Veterans' Administration items, but only with regard to the readjustment benefits, and that part ends on page 14, line 3.

Mr. Chairman, I withdraw my motion.

Mr. EVINS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the committee on Veterans' Affairs has given considerable study to the hospital and medical care program. A special Subcommittee on

Hospitals has made an extensive survey of the veterans' hospital program including the service-connected and non-service-connected caseload.

I should say that the veterans' hospital program has been blackened and given a black eye by a few instances of irregularities and some illegal and improper admissions of veterans to VA hospitals.

During the recent months, there have been in fact three surveys made by responsible sources of the Government with reference to the hospital and medical service of the Veterans' Administration. I want to direct the committee's attention to the result of these surveys—each of which tends to discount and discredit much of the false propaganda being directed against the veterans' hospital and medical care program.

These surveys show that the number of veterans with non-service-connected disabilities who have been improperly and illegally admitted to VA hospitals constitute a few exceptions. These exceptions have been strongly exaggerated and magnified—to the extent that the whole Veterans' Administration medical and hospital program has been damaged and blackened.

Some critics of the Veterans' Administration program have allowed a few scattered clouds on the horizon to cast shadows over the operation of a great medical program for the disabled and needy veterans of the Nation.

The Appropriations Committee, in its report, has cited 12 cases—which the committee believes are cases of veterans improperly admitted to the VA hospitals. All the facts on the cases are not given.

It should be remembered that there are more than 20 million veterans in the Nation, and approximately 114,000 veterans in our hospitals today.

When we consider the average daily patient load of 114,000 veterans in hospitals—and 20 million veterans of the Nation, 12 cases of questionable and improper admissions is certainly not a bad situation. It is, in fact, an excellent record—a record of administration of which the Nation can and should be proud.

An illustration of one such instance may serve to show the damage which results to veterans' hospital programs by publicity being given to a seemingly improper case without the full facts being known.

The mayor of one of our great cities of the South was admitted to a veterans' hospital for care and treatment and the press played up the facts of this admission as one improperly admitted to a veterans' hospital. The facts are that this mayor was a Marine Corps veteran. He died shortly after his admittance to the veterans' hospital and his estate, upon administration, was declared bankrupt.

I am sure that this veteran must have known best his financial circumstances at the time of his admittance into the hospital—better than the critics of the veterans' hospital program.

All of the surveys of the VA hospitals in this connection refute the critics of the medical care program.

The Comptroller General's report covered a survey of 46 veterans' general medical and surgical hospitals. This report, submitted to the chairman of the Committee on Veterans' Affairs on March 11, of this year, shows that of the 46 hospitals surveyed, 64.4 percent of the veterans hospitalized were suffering from non-service-connected disabilities while 35.6 percent of the caseload in these hospitals were service-connected veterans.

At first glance, some persons might assume that a large number of the 64.4 percent of veterans with non-service-connected disabilities were ineligible or illegally admitted to VA hospitals.

A more careful analysis shows that 24.8 percent of veterans in this category had permanent and total disabilities and were receiving compensation and being treated for both service-connected and non-service-connected disabilities. Eleven and four-tenths percent of veterans in this group were suffering from service-connected disabilities and were, at the time, being treated for non-service-connected disabilities. An additional 11.4 percent of veterans in this class were suffering from tuberculosis, cancer, psychosis, or other long-term chronic disabilities. Six and one-tenth percent were being treated for other disabilities—the nature of which had not been adjudicated or determined at the time.

Veterans with service-connected disabilities plus the number of veterans suffering from TB, cancer, psychotic, and long-term disabilities—all legally admitted to VA hospitals—total 89.9 percent of VA cases.

According to the GAO report, we thus have only 10.1 percent of veterans hospitalized who had no service-connected disabilities, and who are being treated for sickness and disabilities for less than 90 days—a small fraction indeed of the veteran population.

We have a question today as to whether the Federal Government or the States shall care for the disabled and needy veterans of this country. It is a major question as to whether it shall be a Federal or a State responsibility.

Former President Hoover said in 1932:

The Nation is not asking for a reduction in allowance for men and dependents whose disabilities arise out of war service nor for those veterans with substantial service who have become totally disabled from non-service-connected causes and who are at the same time without means of support. These latter veterans are a charge on the community at some point, and I feel that in view of their service to the Nation as a whole, responsibility should fall upon the Federal Government.

President Hoover recognized that the responsibility for the care of the disabled and needy non-service-connected veterans was a Federal responsibility.

Former President Coolidge said in 1933:

I recommend that all hospitals be authorized at once to receive and care for, without hospital pay, the veterans of all wars needing such care whenever there are vacant beds,

and that immediate steps be taken to enlarge and build new hospitals to serve all such cases.

It has long been accepted Federal policy that the Federal Government should care for the disabled and needy veterans of the Nation.

We have heard here today statements to the effect that the veteran population of the Nation is increasing—that the cost of care for the veterans of the Nation is increasing. We have all heard this song before. We hear it each time that the Appropriations Committee reports the annual appropriations bill for the care of the veterans of the Nation.

When I first came to the Congress, shortly following World War II, the total appropriations for the Veterans' Administration for all purposes was approximately \$9 billion. This was in 1947.

In 1948 appropriations for the VA were reduced, in round figures, to \$8 billion.

In 1949 VA appropriations were further reduced to approximately \$7,500,000,000.

In 1950 there was a further cut in funds for the VA for all purposes to about \$6 billion and for the next year to \$5 billion.

Last year appropriations for all purposes for the Veterans' Administration totaled \$4,157,203,960—and now for the fiscal year 1954—the present bill carries a total fund for the VA for all purposes of \$4,008,335,264—which represents a cut of \$4½ billion during the past 6 years. So do not let anyone tell you that expenditures for veterans are increasing. The number of veterans is increasing, but the cost of benefits to veterans is decreasing.

The original budget request for the hospital and medical care program for 1954 was \$921,100,000. This bill carries an authorization for these purposes totaling \$895,710,600, which is a cut of \$25,389,400 for administration, hospital and medical-care programs.

The committee has approved \$555 million for the hospital program alone and this sum is more than the amount recommended in the original Truman budget or the Eisenhower revised budget.

The committee should be congratulated for providing full funds for the hospital program—an amount which VA officials and the Chief Medical Director have assured the committee would be adequate to do a good job and insure operation of all existing VA hospitals.

The committee has provided funds for the hospital program while at the same time making cuts and reductions in other phases of veterans' benefits—cuts have thus been made elsewhere to offset this increase.

A reduction of \$300 million has been made for compensation and pension. The amount for compensation and pension is fixed by law, and this reduction will, of necessity, have to be later restored by subsequent appropriations.

Readjustment benefits for veterans of World War II and Korean veterans have been cut by \$220,651,000. Funds for repair and improvement of VA buildings and other items have been cut \$7,344,000—representing a total cut of \$565,

879,400 over the revised 1954 estimates of VA needs.

Yes, reductions are continually being made in the veterans' benefit program. The hospital and medical care service for veterans represents the very heart and core of veterans' benefits. The overall cuts have been too severe. It is time that this trend be stopped.

In addition to the number of veterans of the Nation, more than 80,000 Korean veterans are being discharged each month.

A grateful nation should see to it that these men are given just recognition for their sacrifices and services to the Nation.

We as a nation cannot carry on the traditions that have made our country great simply by uttering words of praise to our Nation's heroes on Memorial Day. The great veterans' benefit program we have built up should not be whittled away. It should not be scuttled by those who would economize at the expense of the disabled and needy veterans of our country.

The question of responsibility for the diseased, disabled, and the needy veterans of this country is a Federal responsibility and not a State responsibility. We should not try to shirk our responsibility by putting riders on appropriation bills to cut off benefits to the needy veterans, just because there have been a few cases of illegal admissions to VA hospitals. Under such a procedure deserving veterans would be penalized.

Mr. JONAS of North Carolina. Mr. Chairman, will the gentleman yield?

Mr. EVINS. I yield.

Mr. JONAS of North Carolina. May I say to the gentleman that in our subcommittee we do not consider these matters as Republicans or Democrats. There has been no politics in this bill whatever.

Mr. EVINS. Neither is the Committee on Veterans' Affairs partisan in its consideration of legislation.

Mr. JONAS of North Carolina. I understood the gentleman to be directing some remarks to this side of the aisle, as if there were some politics involved.

Mr. EVINS. I was just trying to point out that over the past 6 years—since World War II—the total appropriations for all veterans' benefits have been cut substantially. Now the committee is recommending further cuts affecting medical care and other benefits.

Mr. JONAS of North Carolina. Not only that, but this bill was unanimously reported by our subcommittee. The question of politics has never been discussed or considered by any member of our subcommittee.

Mr. EVINS. The fact still remains that while the committee has increased the appropriations for the hospital program, the committee has cut veterans' benefits under other veterans' programs. This cannot be denied.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts.

The amendment was rejected.

The Clerk read as follows:

Readjustment benefits: For the payment of benefits to or on behalf of veterans as

authorized by titles II, III, and V, of the Servicemen's Readjustment Act of 1944, as amended, and title II of the Veterans' Readjustment Assistance Act of 1952, \$664,311,000, to be immediately available and to remain available until expended: *Provided*, That on and after September 1, 1953, no part of any appropriation to the Veterans' Administration shall be available, in connection with any loan authorized by title III of the Servicemen's Readjustment Act of 1944, as amended (38 U. S. C. 694-694n), for payment to the lender by the Administrator of Veterans' Affairs, or for credit on the loan, of an amount equivalent to 4 percent of the amount originally loaned, guaranteed or insured by the Veterans' Administration: *Provided further*, That no right to any such payment shall accrue on or after said date, but the foregoing proviso shall not apply with respect to payments based on guarantees made, or certificates of commitments issued, prior to said date.

Mr. MAILLIARD. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MAILLIARD: on page 14, line 10, after "That", strike out "on and after" and insert "from", and after "1953" insert "to June 30, 1954"; and in line 19 strike out "on or after said date" and insert "during this period."

Mr. PHILLIPS. Mr. Chairman, will the gentleman yield?

Mr. MAILLIARD. I yield.

Mr. PHILLIPS. Mr. Chairman, this is a similar amendment to that previously offered which limits the action in this bill to the coming fiscal year, and on our side we accept it.

Mr. MAILLIARD. I thank the chairman. I would like also to say that the Committee on Veterans' Affairs voted yesterday unanimously its approval of the idea that the subcommittee had, but we are still objecting to permanent legislation in an appropriation bill.

Mr. PHILLIPS. The gentleman knows there is an answer to that.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. MAILLIARD].

The amendment was agreed to.

(Mr. DOLLINGER asked and was given permission to extend his remarks at this point.)

Mr. DOLLINGER. Mr. Chairman, any economy measure at the expense of our veterans, their widows, and dependents is unjustified. It is subject to the severest criticism, and must be defeated.

I want no part of saving dollars if it means broken promises to those who faithfully served their Nation during its times of stress and danger; if it means breaking faith with our veterans. And I am certain that the American people as a whole wish to fulfill their obligations to those who were willing to risk everything they had in order to protect us and preserve our freedom. In fact, such an obligation cannot ever be fully repaid. Any cut in appropriations for the Veterans' Administration, any curtailment of medical, hospital, and domiciliary services, or reduction of compensation and pension payments to veterans and their dependents, is a stark betrayal of our veterans, and I am strongly opposed to such reductions.

No price tag is placed upon the life of a veteran when he goes into battle or the

dangers he faces. We cannot estimate in dollars the risk of loss of limbs or mind, the sacrifice of the best years of his life in service which he could otherwise have spent in getting his education or starting a career, the period of rehabilitation, the disabilities incurred through service to his country which he must contend with ever after, the knowledge that he can never, so long as he lives, be a well person. However, to try to make up for some of these things, we have given our word that we would do all we could to help them, and the American people have gladly pledged their support.

Now, when our country is in no immediate danger and we feel relatively secure, we would save dollars which should be used to repay, to some extent, our obligations to our veterans. I say we have no right to cut this appropriation—we owe this money, it is a debt which we are honorbound to pay. The attitude that we are giving something away, being generous, or meting out charity, is deplorable. Our plain duty is to appropriate sufficient funds so that our veterans can receive necessary hospital and medical care, compensation, pensions, and other assistance which are their just due.

We know that in the fiscal year 1953, some 2,300 Veterans' Administration hospital beds were closed and personnel terminated; at the same time thousands of veterans were being told that nothing could be done for them, their requests for hospitalization, medical care, and other assistance, were turned down. Many who applied for help were turned down because it was determined that they did not suffer from a service-connected disability. Lack of funds and hospital beds have prevented their receiving aid applied for. When we consider that our veterans did not bargain as to their services, that they placed no premium on their sacrifices in the name of liberty, such treatment of them by us is cause for shame.

Pitiful letters from veterans and their families are constantly received by me. Many state that they were refused hospitalization or medical care by the Veterans' Administration and have no other sources of help; others in need of immediate attention have been forced to wait too long for processing; a veteran in need of dental care which he had to have before he could apply for a job, was forced to wait an unconscionable length of time before all the decisions were made and before the work could be done; families have spent their last cent in giving a psychoneurotic veteran private hospital care while awaiting his admission to the veterans' hospital. The psychoneurotic cases are the most tragic, yet we have not provided ample hospital facilities for them—they are being refused admission to veterans' hospitals, they are "farmed out" to State institutions, or they are placed on a long waiting list to await future consideration.

In my opinion, no veteran who needs medical care should be refused. In many cases, the decision that a veteran is not suffering from a service-connected disability is not based on fact but on sur-

mise. It should be assumed that the veteran who fights for his country does give of himself, that in many instances he must suffer some bad effects which would undermine his health and earning capacity in future years. When we have asked everything of him, our attitude should not be how little we can do for him, but how much.

Veterans should receive adequate compensation to make up for reduced earning power as a result of disabilities—mental and physical—incurred in the service of our country. Compensation which has been paid them has not been sufficient to offset increasing living costs. Furthermore, the law should give protection to all disabled veterans. To say that the man who is rated below 50 percent disabled needs no financial help, that he can meet the competition of well men in the working world, is most unfair and causing great hardship to many.

We must also remember that the numbers of our veterans have greatly increased in the past 25 years; that the number is steadily increasing now due to the Korean situation. When we reduce any benefits to our veterans, their widows, or dependents, we cause hardship to a large percentage of our population. It is inconsistent to decrease sums available for the care and benefit of our veterans at the same time that the number of veterans is increasing daily.

It would be well to remember that our young men are being called to service in large numbers every day. What are they to think? Will they go into the service of their country believing that if they are willing to sacrifice their all for us, that we will be grateful and see them through later difficulties resulting from their service—or are they to be given reason to feel that our words of praise and assurances are false and that the promises will be forgotten or broken?

We spend billions and billions of dollars cheerfully in all corners of the world in our effort to preserve freedom and democracy. Necessary funds can, and must, be made available to give all possible aid to those who have been called upon to risk their very lives in fighting for that freedom.

It would be a great tragedy if Congress were to adopt a policy in the name of economy which would in any way curtail the services and assistance to which our veterans are entitled. Instead of practicing economy at their expense, we should be planning to take better care of their needs, to provide adequate facilities and personnel so that no veteran need be denied medical, dental, or other care when he is in need and must turn to the Veterans' Administration for help. We should give adequate compensation to those disabled, so they and their families can enjoy a decent standard of living and not merely exist.

I repeat, the fullest possible assistance we can give our veterans has already been earned by them. We stand indebted to them. If we fail in this responsibility, we fail not only our veterans, but every decent, right-thinking American who is anxious to discharge his obligations with honor.

(Mr. O'HARA of Illinois asked and was given permission to extend his remarks at this point.)

Mr. O'HARA of Illinois. Mr. Chairman, my heart at the moment is with the distinguished gentlewoman from Massachusetts [Mrs. ROGERS]. She is the chairman of the Committee on Veterans' Affairs of this body. She has served on that committee for many years and I remain within the limitations of accuracy when I say she is beloved by service men and women throughout the Nation. In the Congress of the United States she has had but one interest, a driving and all-important interest. That has been the welfare of the veterans. I have been told that no veteran has ever written her that his communication did not receive at her hands a reception rich in friendship and in sympathy.

I have seen her within the last 5 minutes leave the well of this House I thought in tears. I have heard her talk, throwing her heart into every word that she uttered, and the last great—by me never to be forgotten—plea made in this debate for the cause of the veterans of our country fell on ears that the expediency of a reluctant compromise had deafened.

All she asked was that the veterans of the United States, the veterans of all of our many wars, should have a voice in the House of Representatives of the United States. For that purpose this body by its rules had established the Committee on Veterans' Affairs.

But all the legislation for veterans, properly within the jurisdiction of the Veterans' Committee, has by this bill under consideration today been taken over by the Appropriations Committee.

If the gentlewoman from Massachusetts could sleep at night when act or silence of hers had contributed to selling down the river our ex-service men and women her eyes would not have been filled with tears when she left the well of this House within the last few minutes.

The gentlewoman from Massachusetts is a Republican. The gentleman from Texas [Mr. TEAGUE], himself an infantry combat veteran with 11 decorations for bravery and as true a friend of the serviceman as ever sat in Congress, is a Democrat. In my book they are great Americans. They have won my renewed admiration today.

I wonder if my colleagues in the House realize all that they are doing. I wonder if when they voted in the matter of outpatient dental care they knew what they were doing to a handful of surviving Spanish-American War veterans. I fought in the 81st Congress, and against the veto of the President of my party, to get for these veterans outpatient treatment including dental care. It meant a lot, I think, to these old veterans, not many in numbers, most of them living on their pensions. Well, you threw it out today. And you did not stop there. You slammed the door on many a veteran of World War I and World War II and of the Korean war. I know too many of these veterans whose war service is directly responsible for the present condition of their teeth.

My distinguished and beloved colleague from Pennsylvania [Mr. VAN ZANDT] said that the three big veteran organizations had agreed to this compromise but with reluctance. That reluctance I can understand. There are many provisions that I do not like.

None to my mind is more objectionable than the authorization to the Administrator of Veterans Affairs "to investigate any non-service-connected veterans' statement of inability to defray the cost of hospitalization or treatment where reason exists to doubt the accuracy of such statement."

Veterans know what that means. More redtape. More questioning and cross-examination and affidavits to go get and then maybe have someone at a desk tell the veteran, too bad, he is out.

But that is not all. The subcommittee's bill further orders that "the Administrator shall make every effort to collect."

The subcommittee chairman admits this provision will not save much cash. Then by all that is decent why put it in? Because on very rare occasions a veteran might make an erroneous statement as to his financial condition is it necessary to brand all sick veterans as suspects until proven otherwise?

The subcommittee chairman announced that this provision "certainly will not be controversial to veterans' organizations." I think the chairman is right, but not as he intended. I am sure there could be no division of opinion among the delegated heads of the veterans organizations, any more than among the rank and file, on a proposition to make VA a little FBI to work on all the veterans with non-service-connected ailments.

Mr. Chairman, much as I regret the position of the subcommittee in many phases, some of which I have touched upon, I nevertheless join with my colleagues in recognition of the long hours of hard work which the members have put into the preparation of this bill. I would not wish to be understood as questioning for one moment the fine patriotism and great statesmanship of the gentleman from California [Mr. PHILLIPS]. There is no one in this House for whom I have greater respect. Certainly no one could have handled this bill on the floor with greater ability than the gentleman has shown.

I commend the gentleman for the gracious manner in which he has met the just arguments of the veteran organizations on the matter of hospitalization. I regret that in making concessions there he thought it necessary to practice increased severity elsewhere. The trimming—if economy required such—should have been done by the Veterans' Committee. That would have avoided the many very evil injustices in the present bill.

Mr. JAVITS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I shall not take but a minute or two. I wish to join what is obviously the same opinion on the floor of a good many Members in protesting against the widespread legislation of all veterans' affairs in this appropriation

bill. It is very seductive to be saving money, or what goes by way of saving money in dollars upon veterans' activities. It is an easy place to do it in an appropriation bill where the tendency of Members, many of whom are committed to economy, is to cut. I would like to call the attention of these Members to the fact that you are changing basic policy here even if it is for 1 year. You are changing basic policy at a time when, as has been so often stated, we have just been through a hot war which is still going on with tremendous casualties to veterans, and at a time of great mobilization, and when you expect our men when they go into the Army, Navy, and Air Force, to go in without any reservations of what is going to happen to them when they get out. I think it is a very serious question involving the morale of those who enter the armed services of the United States. The Committee on Veterans' Affairs has shown itself very solicitous of this morale question. I think we are making a great mistake as we go through this bill provision after provision with legislation for veterans, which is not going through the Committee on Veterans' Affairs after holding hearings and the utilization of their own experience and after hearing veterans' organizations and all the people who are generally heard upon these measures. I for one Member, am going to vote and will continue to vote consistently against all of these legislative provisions in this bill because to my mind in deep conscience, I feel it is a grave mistake to jeopardize the question of morale of these men, the finest in America who are going into the armed service if in this cavalier way under the guise of economy we deal with veterans' affairs without leaving it to the Committee on Veterans' Affairs.

Mr. BECKER. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, I rise at this time to add my words of praise to the committee preparing this bill in at least one particular respect and that is in breaking down the total amount of the appropriation into specific categories. That had never been done heretofore. Under the law, the Veterans' Administration in previous years had been able to make cuts across the board irrespective of where they might hit. Everyone of us here knows that last year, all of the veterans' organizations, of which I happen to be a member of two, and very active in the American Legion and the Veterans of Foreign Wars, that we got into a turmoil because hospital beds, which were so badly needed, were refused to be opened by the Administrator of Veterans' Affairs. He stated there were not sufficient funds, and then a few months ago we had an amendment to a bill to increase the appropriation by \$10 million in order to open the beds that he said could not be opened. That amendment was defeated on the floor. I voted against it because I had been advised there was sufficient money, and beds could be opened. I then investigated the report of the conference committee between the House and the Senate last year on the appropriation bill for the

Veterans' Affairs provision and found that the House and Senate agreed there should be no cut in the hospital and medical care in this current year. Then that was violated by the Administrator in making a straight 4 percent cut across the board, eliminating beds in hospitals. Now, in this particular bill, during this coming year, there is an increase of appropriations in the hospital and medical section that will permit the operation of all of the beds to the number of 114,315.

I want to go a step further, if I have the time, and say this: that the veterans' organizations and the veterans of this country have a right to be disturbed when there is an economy move in Congress, because our minds go back to 1933 when the pensions of battle-casualty veterans of this country were cut from 25 percent to 70 percent, by the administration, which also affected the widows and orphans of those battle-casualty veterans. But it was the heart of a good Congress a year later that restored those cuts, so those veterans received their pensions and so did the widows and orphans.

Today, as we have this bill before us, I, too, go along with the committee, and if the amounts for pensions provided here, are not sufficient we, as the Congress, commit ourselves to saying that sufficient money will be appropriated in a supplemental or a deficiency bill to make up that amount.

I say that it is my firm conviction that the veterans of this country, 20 million of them, know that they are paying taxes for these benefits, that they are not getting something for nothing in anything that we may add to this appropriation. The veterans of this country, 20 million of them and with their families, over 50 million, know that, as well as those whom we are creating as veterans every day. They know that they are going to pay the bill, just as well as you and I and the nonveterans of our country. They are going to pay for it and they are going to be looking to you and to me to see that only the money goes into these appropriation bills that is absolutely necessary.

I believe the Members of this House will agree with me that it is our responsibility in the current year and in the next year to see that these appropriations that we are voting today are sufficient; and if they are not sufficient, in accordance with the recommendations, that we meet our obligation in the coming year.

Mr. PHILLIPS. Mr. Chairman, I rise for the purpose of attempting to limit debate on the rest of the bill, with the exception of that provision which had not been sufficiently discussed before we came on the floor, and which begins at the bottom of page 19.

I shall move that debate cease at once on all other parts of the bill except that portion beginning on page 19, line 17, and extending to line 5 on page 20.

Mrs. ROGERS of Massachusetts. Will the gentleman reserve his motion for just a minute? As I understand it, Members with amendments will have time in which to discuss them?

Mr. PHILLIPS. On this section, yes; any amendment. But there would be none to discuss, because I know of no other amendments to any other part of the bill.

Mrs. ROGERS of Massachusetts. Would the gentleman yield for half a minute, for the purpose of asking a question?

Mr. PHILLIPS. Mr. Chairman, I move to strike out the last word, and yield to the gentlewoman from Massachusetts for one-half minute.

Mrs. ROGERS of Massachusetts. Mr. Chairman, I understand that the committee has announced that they will give \$800,000 to the prosthetic appliance research work?

Mr. PHILLIPS. At the suggestion of the gentlewoman, we have already given it, but we earmarked it, because the gentlewoman was afraid that it might be used for something else.

Mrs. ROGERS of Massachusetts. It has been in the past.

Mr. PHILLIPS. It has been taken care of.

Mrs. ROGERS of Massachusetts. I thank the gentleman.

Mr. PHILLIPS. Mr. Chairman, I make the unanimous-consent request that all debate on the bill cease, with the exception of that part of the bill which begins on line 17, page 19, and ends on line 5, page 20.

Mr. McCORMACK. A parliamentary inquiry, Mr. Chairman.

The CHAIRMAN. The gentleman will state it.

Mr. McCORMACK. Has the remainder of the bill been considered as read?

Mr. PHILLIPS. I thank the gentleman for his suggestion.

Mr. McCORMACK. Does not the gentleman think he should ask unanimous consent for that purpose first; and even after that, there should be at least 5 minutes' debate on the motion.

Mr. PHILLIPS. I thank the gentleman, and I should like to amend my request that all parts of the bill be considered as read; and then that all debate cease on all parts of the bill except that beginning on page 19, line 17, and ending on line 5, page 20, which will make it necessary, I will say to the gentleman from Massachusetts [Mr. McCORMACK], to read that section which we are about to discuss.

Mr. McCORMACK. I object to that, not because I am not in agreement with the proposition but because I think the first request should be that the remainder of the bill be considered as read with the exception of the part the gentleman mentions.

Mr. PHILLIPS. I accept that.

Mr. McCORMACK. Then, of course, if anyone wants to make a motion to close debate it could be done after the first speech.

Mr. HALLECK. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. HALLECK. Do I understand that the request is that the remainder of the bill be considered as read, that it be printed in the RECORD and open to amendment at any point?

The CHAIRMAN. Will the gentleman from California restate his request?

Mr. PHILLIPS. I was simply accepting the suggestion of the gentleman from Massachusetts. If there is any question I now ask unanimous consent that the remainder of the bill be considered as read, that it be printed in the RECORD, and that it be open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

The remainder of the bill reads as follows:

Military and naval insurance: For military and naval insurance, \$1,496,000, to remain available until expended.

Hospital and domiciliary facilities: For hospital and domiciliary facilities, for extending, with the approval of the President, any of the facilities under the jurisdiction of the Veterans' Administration or for any of the purposes set forth in sections 1 and 2 of the act approved March 4, 1931 (38 U. S. C. 438j-k), or in section 101 of the Servicemen's Readjustment Act of 1944 (38 U. S. C. 693a), to remain available until expended, \$48,867,000: *Provided*, That no part of the foregoing appropriation shall be used to commence any major alteration, improvement, or repair unless funds are available for the completion of such work; and no funds shall be used for such work at any facility if the Veterans' Administration is reasonably certain that the installation will be abandoned in the near future: *Provided further*, That not to exceed 5.5 percent of the amounts available under this head shall be available for the employment of all necessary technical and clerical personnel for the preparation of plans and specifications for the projects as approved hereunder and in the supervision of the execution thereof, and for all travel expenses, field office equipment, and supplies in connection therewith, except that whenever the Veterans' Administration finds it necessary in the construction of any project to employ other Government agencies or persons outside the Federal service to perform such services not to exceed 9 percent of the cost of such projects may be expended for such services.

Hospital and domiciliary facilities (liquidation of contract authorization): For payment of obligations heretofore authorized to be incurred under this head, \$21,185,664, to remain available until expended.

National service life insurance: For the payment of benefits and for transfer to the national service life insurance fund, in accordance with the National Service Life Insurance Act of 1940, as amended, \$75 million to remain available until expended: *Provided*, That certain premiums shall be credited to this appropriation as provided by the act.

Servicemen's indemnities: For payment of liabilities under the Servicemen's Indemnity Act of 1951, \$18 million, to remain available until expended.

Veterans miscellaneous benefits: For the payment of burial awards authorized by Veterans' Administration Regulation No. 9 (a), as amended, and for supplies, equipment, and tuition authorized by part VII and payments authorized by part IX of Veterans' Administration Regulation No. 1 (a), as amended, \$35,743,000, to remain available until expended.

Grants to the Republic of the Philippines: For payment to the Republic of the Philippines of grants in accordance with the act of July 1, 1948 (50 U. S. C. App. 1991-1996), for expenses incident to medical care and treatment of veterans, \$1,731,000, and in addition thereto not exceeding \$769,000 of

the unobligated balance for this purpose for the fiscal year 1953.

Supply fund: For establishment of a revolving supply fund effective July 1, 1953, to be available without fiscal year limitation for all expenses necessary for the operation and maintenance of a supply system for the Veterans' Administration including procurement of supplies and equipment, and personal services, the Administrator is authorized to capitalize, at fair and reasonable values as determined by him, all supplies and materials and depot stocks of equipment on hand or on order: *Provided*, That the fund shall be (1) reimbursed for the cost of all services, equipment and supplies furnished appropriations at rates determined by the Administrator on the basis of estimated or actual direct and indirect cost; (2) credited with advances from appropriations to which services or supplies are to be furnished, and all other receipts resulting from the operation of the fund including the proceeds of disposal of scrap, excess or surplus personal property of the fund, and receipts from carriers and others for loss of or damage to personal property: *Provided further*, That following the close of each fiscal year any net income after making provision for prior losses, if any, shall be covered into the Treasury of the United States as miscellaneous receipts: *Provided further*, That an adequate system of accounts for the fund shall be maintained on the accrual method and financial reports prepared on the basis of such accounts; and that an annual business type budget shall be prepared for the operations under this fund.

Not to exceed 5 percent of any appropriation for the current fiscal year for "Compensation and pensions," "Readjustment benefits," "Military and naval insurance," "National service life insurance," and "Servicemen's indemnities," may be transferred, to any other of the mentioned appropriations.

Appropriations available to the Veterans' Administration for the current fiscal year for salaries and expenses shall be available for services as authorized by section 15 of the act of August 2, 1946 (5 U. S. C. 55a).

Appropriations available to the Veterans' Administration for the current fiscal year for "Maintenance and operation of hospitals," "Maintenance and operation of domiciliary facilities," and "Outpatient care," shall be available for funeral, burial, and other expenses incidental thereto (except burial awards authorized by Veterans' Administration Regulation No. 9 (a), as amended), for beneficiaries of the Veterans' Administration receiving care under such appropriations.

No part of the appropriations in this act for the Veterans' Administration (except the appropriation for "Hospital and domiciliary facilities") shall be available for the purchase of any site for or toward the construction of any new hospital or home.

Appropriations in this act for the Veterans' Administration for "Maintenance and operation of hospitals" and "Maintenance and operation of domiciliary facilities" may be used to repair, alter, improve, or provide facilities in the several hospitals and homes under the jurisdiction of the Veterans' Administration, not otherwise provided for, either by contract, or by the hire of temporary employees and the purchase of materials.

No part of the foregoing appropriations shall be available for hospitalization or examination of any persons except beneficiaries entitled under the laws bestowing such benefits to veterans, unless reimbursement of cost is made to the appropriation at such rates as may be fixed by the Administrator of Veterans Affairs.

Notwithstanding the provisions of section 6 of Public Law No. 2, 73d Congress, as

amended (38 U. S. C. 706), the Administrator of Veterans Affairs is authorized to investigate any non-service-connected veteran's statement of inability to defray the cost of hospitalization, treatment, or domiciliary care, where reason exists to doubt the accuracy of such statement; and the Administrator shall make every effort to collect from any veteran hospitalized, cared for, or treated for a non-service-connected disability according to the ability of the veteran to pay for such hospitalization, treatment, or care: *Provided further*, That inability to pay shall not prevent any veteran from receiving hospitalization, treatment, or domiciliary care, if such veteran is unable to pay and there is a bed available.

The Administrator of Veterans' Affairs is hereby authorized, in his discretion, to activate and operate at reasonable standards throughout the fiscal year 1954 those beds which are needed and which can be staffed, in the following categories: (a) all beds in Veterans' Administration hospital and domiciliary facilities and all contract beds that were in use during the fiscal year 1953, except those replaced or to be replaced by new construction, (b) all beds in Veterans' Administration hospital and domiciliary facilities and all contract beds that were closed during the fiscal year 1953, except those replaced or to be replaced by new construction, and (c) all beds in Veterans' Administration hospital and domiciliary facilities constructed in the fiscal years 1953 and 1954: *Provided*, That the qualified personnel required for the standard operation and maintenance of such beds can be obtained.

GENERAL PROVISIONS

SEC. 102. The general provisions applicable to appropriations contained in title I of the "First Independent Offices Appropriation Act, 1954," shall apply to appropriations contained in this act, excepting the Tennessee Valley Authority: *Provided*, That the provisions of section 102 of such act shall not apply to travel performed by members of local draft boards of the Selective Service System.

SEC. 103. No part of any appropriation contained in this act, or of the funds available for expenditure by any corporation included in this act, shall be used to pay the salary or wages of any person who engages in a strike against the Government of the United States or who is a member of an organization of Government employees that asserts the right to strike against the Government of the United States, or who advocates, or is a member of an organization that advocates, the overthrow of the Government of the United States by force or violence: *Provided*, That for the purposes hereof an affidavit shall be considered prima facie evidence that the person making the affidavit has not contrary to the provisions of this section engaged in a strike against the Government of the United States, is not a member of an organization of Government employees that asserts the right to strike against the Government of the United States, or that such person does not advocate, and is not a member of an organization that advocates, the overthrow of the Government of the United States by force or violence: *Provided further*, That any person who engages in a strike against the Government of the United States or who is a member of an organization of Government employees that asserts the right to strike against the Government of the United States, or who advocates, or who is a member of an organization that advocates, the overthrow of the Government of the United States by force or violence and accepts employment the salary or wages for which are paid from any appropriation or fund contained in this act shall be guilty of a felony and, upon conviction, shall be fine not more than \$1,000 or imprisoned for not more than 1 year, or both: *Provided further*, That the above pen-

alty clause shall be in addition to, and not in substitution for, any other provisions of existing law.

SEC. 104. No part of any appropriation contained in this act, or of the funds available for expenditure by any corporation or agency included in this act, shall be used for publicity or propaganda purposes designed to support or defeat legislation pending before the Congress.

SEC. 105. (a) No part of the money appropriated by this act to any department, agency, or corporation or available for expenditure by any department, agency, or corporation which is in excess of 75 percent of the amount required to pay the compensation of all persons the budget estimates for personal services heretofore submitted to the Congress for the fiscal year 1954 contemplated would be employed by such department, agency, or corporation during such fiscal year in the performance of—

(1) functions performed by a person designated as an information specialist, information and editorial specialist, publications and information coordinator, press-relations officer or counsel, photographer, radio expert, television expert, motion-picture expert, or publicity expert, or designated by any similar title, or

(2) functions performed by persons who assist persons performing the functions described in (1) in drafting, preparing, editing, typing, duplicating, or disseminating public information publications or releases, radio or television scripts, magazine articles, photographs, motion pictures, and similar material,

shall be available to pay the compensation of persons performing the functions described in (1) or (2).

SEC. 106. This act may be cited as the "Second Independent Offices Appropriation Act, 1954."

Mr. ADAIR. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ADAIR: Page 19, line 17, strike out the paragraph beginning on line 17, page 19.

The CHAIRMAN. The gentleman from Indiana is recognized.

Mr. ADAIR. Mr. Chairman—

Mr. THOMAS. Mr. Chairman, will the gentleman yield?

Mr. ADAIR. I yield.

Mr. THOMAS. I hope this is not taken from the gentleman's time and I ask unanimous consent that it be not taken from his time.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. THOMAS. I wonder if our chairman will be willing to propound a consent request to see if we could not limit debate. I understand this is the last controversial item in the bill.

Mr. PHILLIPS. Would my distinguished friend from Texas wait until after consideration of this particular amendment is concluded? Because this amendment strikes out the entire section, and it is not the desire of the various organizations that have been writing us that the entire section be stricken out. After that is voted upon then I think the gentleman's suggestion would be in order.

Mr. THOMAS. I withdraw the suggestion.

Mr. ADAIR. Mr. Chairman, the proposed amendment strikes out the paragraph beginning near the bottom of page 19.

Along with those who have spoken previously today I share the view that an appropriation bill is not the place for legislation. This paragraph is legislation of the broadest and most sweeping kind. It purports to make certain changes for non-service-connected cases in veterans' hospitals; it also directs the Administrator of Veterans' Affairs to investigate non-service-connected veterans' statements of inability to pay.

The goal sought to be achieved by that wording is good, but I object to the means followed.

I want to say at this time that the subcommittee and its members have been very fair, and very gracious to me.

The proposition is presented to this committee as one which would save money. Mr. Chairman, I think it is quite possible that it would do just the reverse. The wording which they permitted to remain in the bill would say in effect to any non-service-connected veteran: You go to the veterans' hospital, you receive treatment, and then you pay what you are able. Are there any standards set up by which the measure of ability to pay is established? No, there are no such standards.

Does this do away with the requirement that a man sign an affidavit when he goes in there that he is not able to pay? No; I think it does not. If a man goes in as an emergency case and this affidavit is signed by him, it seems to me he would possibly be subject to prosecution thereafter for making a false affidavit, if it should be determined later that he was able to pay.

What I am trying to say in some haste and in the time at my disposal, is that I think here is wording which is very vague, the goal of which is good but which does not do the thing that it purports to do. What I am pleading for today is a chance for the proper legislative committee to have an opportunity to study this situation. We have been assured it will be studied. After that the committee can bring in legislation to accomplish what is sought to be accomplished here.

I will say that I believe there have been abuses by some non-service-connected veterans who have sought and received hospital treatment. This is not the way to correct those abuses, however. If there are those here, and I am sure there are, who are fearful of what we might call Government medicine, let me point out to you that you are inviting just that by this wording. It is my opinion that you are inviting people with non-service-connected ailments to go into a veterans' hospital and say in effect: "We will pay what little we can." Not, then, are we here by this wording going to save money for the Government but, the gentleman of the subcommittee to the contrary notwithstanding, I believe we are likely to cause a great increase in cost by this amendment.

Mr. EVINS. Mr. Chairman, will the gentleman yield?

Mr. ADAIR. I yield to the gentleman from Tennessee.

Mr. EVINS. I share the views expressed by the gentleman and would like

to be associated with his remarks in this connection. May I ask my colleague whether he does not feel that where the words "all non-service-connected veterans" are used, such language might well be interpreted to mean that all non-service-connected veterans can come in and receive veteran medical care if they desire to pay some amount, even though a very small amount?

Mr. ADAIR. I think that would be true.

Mr. EVINS. The gentleman, I am sure, also objects to the members of his party on the Committee on Appropriations usurping the jurisdiction of the Committee on Veterans' Affairs.

Mr. ADAIR. I do believe this is a matter for the Veterans' Affairs Committee to study. I say again that the subcommittee of the Appropriations Committee has been very kind to me. I think they are trying to do a good thing by the wrong means. This legislation is going to lead us into a maze of certain vague wording, the intent of which cannot be understood.

If any Member of this House will take the trouble to read the wording of this bill in this respect, particularly those of you who are members of the bar, I feel confident you will share my view that it will be extremely difficult to make an interpretation of those words and to know what the intent of the legislation is.

The CHAIRMAN. The time of the gentleman from Indiana has expired.

(On request of Mr. EDMONDSON, and by unanimous consent, Mr. ADAIR was given 2 additional minutes.)

Mr. EDMONDSON. Mr. Chairman, will the gentleman yield?

Mr. ADAIR. I yield to the gentleman from Oklahoma.

Mr. EDMONDSON. Mr. Chairman, I would like to ask the gentleman, in associating myself with his very fine argument, is it not also true that this amendment would impose upon the Administrator the very burdensome and possibly very expensive additional task of making every effort to collect from any veteran hospitalized and cared for or treated for a non-service-connected disability? In other words, it is going to convert your Administrator into a collection agency with all the possible costs and additional personnel that that might involve.

Mr. ADAIR. I am glad that the gentleman raises that point because the wording does just that: "and the Administrator, shall make every effort"—not "may" but he "shall"—make every effort to collect from any veteran hospitalized and cared for or treated for a non-service-connected disability according to the ability of the veteran to pay for such care."

This matter should be most carefully studied by the proper legislative committee and adequate legislation reported to this House for timely consideration.

Mr. BROOKS of Louisiana. Mr. Chairman, will the gentleman yield?

Mr. ADAIR. I yield to the gentleman from Louisiana.

Mr. BROOKS of Louisiana. I want to state to the gentleman that in my own State of Louisiana we have a fine system of charity hospitals, and there

are other States that have methods of taking care of charity patients. In many instances now what is happening is our Veterans' Administration is turning down a veteran; and then he is taken over by the State hospital system. People think we are saving money by this procedure under which the veteran is taken over by a State hospital and taken care of in the State hospital as a patient. They are mistaken. It ought to cost no more to take care of a veteran who is entitled to get into a veterans' hospital under Federal jurisdiction than it does in State charity hospitals. I do not want to see us tighten up to the point where, because a man is a veteran, he does not have as much right as a citizen who is entitled to get into a charity hospital. I think the veteran ought to have at least the same privilege of getting into a hospital that a nonveteran has. In fact, I think it ought to be a veteran's right—

The CHAIRMAN. The time of the gentleman from Indiana has expired.

Mr. JONAS of North Carolina. Mr. Chairman, I move to strike out the last word in order to undertake to explain a misunderstanding. The facts are that it costs in excess of \$20 per day in a veterans' hospital, yet contract beds can be procured by the Veterans' Administration for approximately \$14 a day.

Mr. TEAGUE. Mr. Chairman, will the gentleman yield?

Mr. JONAS of North Carolina. I yield to the gentleman from Texas.

Mr. TEAGUE. Is it not a fact that \$14.25 is merely an entering service charge, and that does not mean anything so far as the cost to the taxpayer is concerned?

Mr. JONAS of North Carolina. It is the price that the Veterans' Administration pays, for example, to a Navy hospital, and the same price that you would pay at Bethesda. But it costs \$20 per day to hospitalize a veteran in a hospital maintained by the VA.

Mr. TEAGUE. What does it cost the Navy or the Army?

Mr. JONAS of North Carolina. I do not know what it costs them. I know what it costs the Veterans' Administration, and that is \$20 per day plus.

Mr. EVINS. Mr. Chairman, will the gentleman yield?

Mr. JONAS of North Carolina. I yield to the gentleman from Tennessee.

Mr. EVINS. I am sure that the gentleman would not prefer providing medical care to veterans in contract hospitals over our veterans hospitals.

Mr. JONAS of North Carolina. I am merely pointing out the difference in cost.

Mr. PHILLIPS. Mr. Chairman, will the gentleman yield?

Mr. JONAS of North Carolina. I yield to the gentleman from California.

Mr. PHILLIPS. What the gentleman is talking about and all that we are talking about are non-service-connected veterans who are in the hospital for no condition which has anything to do with their war service. We are taking care of other cases, including non-service-connected veterans who are doubtful cases. The point we are talking about, the serv-

ice-connected veteran, he goes into the hospital right now. When we had the hearings there were only three service-connected veterans in the entire United States who were not in the hospitals, and those were not there because of their own choice.

Mr. BROOKS of Louisiana. Mr. Chairman, will the gentleman yield further?

Mr. JONAS of North Carolina. I yield.

Mr. BROOKS of Louisiana. I want to say that the cost of handling men in the service hospitals is not \$20 per day per person. Up until recently it was \$12.65 per day. But I want to say this, it ought to cost just as much to handle a man in a State-owned hospital as it does in a federally owned hospital. If it does not, we better investigate and see why the inordinately high cost is in the federally operated hospitals. I said that in Louisiana there is a charity system of hospitals. The veteran can be forced into the charity hospitals in Louisiana if he has a non-service-connected disability and qualifies otherwise.

Mr. JONAS of North Carolina. What does that cost per day?

Mr. BROOKS of Louisiana. There is no charge to him. It is charity. The veteran with a non-service-connected disability is denied admission into a veterans' hospital, we will say. He is put in jail down there in Louisiana and kept there for a while if he is a mental case until they can get him into a State-owned hospital. I say my blood boils when I think of this. I say the taxpayer is fooling himself if he thinks he is saving money on that procedure. I will not support legislation which continues in existence such shameful procedure and such unfair treatment.

Mr. PHILLIPS. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Indiana [Mr. ADAIR].

Mr. Chairman, my intention is to use this 5 minutes to cover as much as I can of the entire field so as to conserve time.

The amendment offered by the gentleman from Indiana is an amendment to strike the entire section. That amendment, therefore, strikes out the first part of the sentence, which is a clarifying sentence telling the Veterans' Administration that they are authorized to look back of this affidavit in cases where they believe there is reason to look back of it. They say that, under the law as it exists, they do not have that right, and they know that people are in the hospitals who come in and sign affidavits—they cannot afford treatment, who have money enough, a great deal of money, to pay for the service.

I did not know until this matter came up that anyone would offer an amendment to strike the first half of this, because the AMA does not want it struck, the veterans' organizations do not want it struck, and the committee does not want it struck. The legislative committee has frequently said that something should be done about it, and I believe the majority in Congress do not want that half struck.

Therefore my recommendation would be that we defeat the Adair amendment and then take the next amendment, whoever offers it, to strike the last part of the sentence after the semicolon, which is the one that you have been getting letters about.

If this does take place and you consider an amendment to strike out all after the semicolon, I ask you to consider that the situation we describe in our bill exists at the present time. If you strike out this language, you make the situation worse than it is now, because no effort will be made to collect from men who have in turn collected insurance premiums or who have as high as \$12,000 or more a year income.

If you leave some sort of fragment in there for my subcommittee, we can go to conference. We are not especially concerned about the wording. We would like you to leave some fragment of that so that when we go to conference, if the Senate has not put something in, we will be able, with the help of anyone, including the legislative committee, to write a substitute that will do what we all want to do. If the wording is not right—and we have no pride in the wording—we will go into conference and try to do something to correct a condition which I assure you everyone, including the AMA and the veterans' organizations, and the Members of Congress, want corrected.

I am sure many of our friends in the medical society do not realize what they are doing in an attempt to prevent this wording from lending respectability to free hospitalization. They are putting us back to the situation that exists at the present time, when the same men with the same incomes will be in the same hospitals getting free hospitalization, and the Veterans' Administration will not do anything about it.

So I recommend that we defeat the Adair amendment, let the gentleman from Indiana, or the gentleman from Pennsylvania, offer another amendment, let me offer a substitute to that amendment, and then, with as little more argument as possible, vote upon these as you desire to vote. We will have no hard feelings on the committee about how the vote comes out.

Mr. TEAGUE. Mr. Chairman, will the gentleman yield?

Mr. PHILLIPS. I yield to the gentleman from Texas.

Mr. TEAGUE. Then do I understand the chairman correctly that he would agree to strike out the remaining part of that paragraph if from line 17 down to the semicolon in line 23 were left in there?

Mr. PHILLIPS. No; that is not what I said. I said that if anyone would offer any substitute for the language after the semicolon we would take it. If nobody else offers it, I hold in my hand an amendment which I think will at least preserve the committee's right to take this into conference.

Mr. HALLECK. Mr. Chairman, I ask unanimous consent that debate on this amendment and all amendments thereto close in 20 minutes, the last 5 minutes to be reserved to the ranking minority member of the subcommittee.

Mr. SECREST. Mr. Chairman, reserving the right to object, would the gentleman not find out how many Members want to speak so that we may see how much time each one of us will get. Each one of us, I think, should have at least 3 minutes to talk upon this because it is so important.

Mr. BARDEN. Mr. Chairman, reserving the right to object, may I call this to the attention of the gentlemen. I have not seen anyone yet who knows what we are considering. Do you want to limit time on something that you do not know what you are limiting the time on? The Chairman just said there was one amendment. Then probably they are going to offer another one. Then he probably is going to offer a substitute. Are you going to positively limit debate in a situation like that? I think we had better chart our course a little more accurately.

Mr. HALLECK. If the gentleman from North Carolina is raising a question as to whether I, for instance, know what is going on here, I think I do and I am not going to stand here and say that I do not know.

Mr. BARDEN. Would the gentleman explain what is going to happen?

Mr. HALLECK. I will try to explain it to the gentleman. There is an amendment pending to strike out the entire section. The gentleman from California who is the chairman of the subcommittee has indicated that as far as he is concerned, the language after the semicolon on page 23 could go out provided some language retaining some semblance of what is there contained might go in. If I understood the inquiry of the gentleman from Texas [Mr. TEAGUE] who is very much of an authority on this whole proposition, he raised the question as to whether or not the gentleman from California would agree to take out all of the language starting on line 23, after the semicolon, and to which the gentleman from California properly replied that that was not quite his statement, that what he wanted was some language in the bill that could go to conference which would permit them to work this out. To me, it seems perfectly simple.

Mr. BARDEN. It is as clear as mud.

Mr. HALLECK. It may be that clear to you. Normally, the gentleman is a man of great understanding and quick perception, and if it is not clear to him, then I really am disturbed.

Mr. BARDEN. Let us be fair to each other and cut out the horse play. The gentleman just referred to the Chairman of the committee as demanding language bearing some semblance to so and so. Does the gentleman want to limit himself to any particular few minutes of debate as to language with some semblance to so and so when we do not know what it is going to be?

Mr. HALLECK. Of course, the language would be read, and I am sure the gentleman from North Carolina would be the quickest of any of us to discover what the language means. May I say that it is all right with me to remain here just as long as anybody wants to, but I think the positions of the various Members in respect to this matter can

be made known, and I think we can conclude action on the bill and be through with it. A great many Members have spoken to me about their desire to conclude action on the bill reasonably soon. I am only trying to expedite the business now before the House so far as I am concerned.

Mr. PHILLIPS. Mr. Chairman, reserving the right to object, and still trying to conserve time, I am not insisting upon any specific language so long as we are left some language in the bill on which to go into conference. If nobody has better language, I am going to recommend this language: "Provided further, That nothing in this section shall be construed as establishing a policy authorizing the admission of veterans with non-service-connected disabilities to veterans' hospitals who are financially able to pay for their hospital and medical expenses."

Mr. Chairman, I do not consider this wording perfect, but at least, Mr. Chairman, it would permit the subcommittee to go into conference and work out a satisfactory wording. When I say satisfactory, I do not mean to the seven of us, but to the gentlemen who are now engaged in this colloquy who are tremendously interested in this matter.

Mr. HALLECK. Mr. Chairman, may I revise by unanimous-consent request.

Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 25 minutes, with the last 5 minutes to be reserved to the gentleman from Texas [Mr. THOMAS].

Mr. TEAGUE. Reserving the right to object, Mr. Chairman, a few moments ago I objected to a unanimous-consent request of the gentleman from Texas [Mr. THOMAS], which, of course, I did not want to do. I later told him that when the debate had finished on the amendment to the language on page 19 I would not object any more. In turn, he told the gentleman from California [Mr. PHILLIPS] and I did not object to his unanimous-consent request that the bill be considered as read.

I do not feel that you are being fair if you limit debate on this one amendment and amendments thereto.

Mr. HALLECK. If the gentleman will yield, the gentleman objected to a unanimous-consent request that I made to consider the bill as read, and the gentleman said that he thought this amendment was the last one that he was interested in.

Mr. TEAGUE. That is right.

Mr. HALLECK. That did not seem to me to imply any obligation on the part of anyone, when we got to the amendment, not to try to have some reasonable time limitation on the debate on the amendment.

Mr. TEAGUE. When you propose to allow us 1 minute apiece, do you feel that is a reasonable time?

Mr. HALLECK. I believe one of the gentlemen suggested 3 minutes to each Member.

Mr. Chairman, in view of the general attitude, I withdraw my request.

Mr. PHILLIPS. Reserving the right to object, Mr. Chairman, I should like to ask a question of the gentleman from

Texas [Mr. TEAGUE]. If the gentleman from Texas [Mr. TEAGUE] will yield to me, I shall then yield to the gentleman from Texas [Mr. THOMAS].

Would the gentleman from Texas [Mr. TEAGUE] be satisfied that he was not denied time, or anything else, if we accepted the amendment which I presume will be introduced by the gentleman from Indiana [Mr. ADAIR] to strike out the language beginning at the semicolon in line 23 and extending to and including line 5 on page 20, and to substitute therefor the language which I just read, and which I shall read again?

Mr. TEAGUE. No, sir; certainly not.

Mr. PHILLIPS. Then what the gentleman wants, in effect, is not to place any limitation upon non-service-connected veterans who are now getting free service in hospitals, and who can afford to pay?

Mr. TEAGUE. If I understand the rules of the House correctly, if you leave those first five lines in, down to the semicolon, then you can go to conference on that section.

Mr. PHILLIPS. No; I asked the Parliamentarian and he was not sure. For that reason I am taking this action to make sure that we are not deprived of the right to do something about a situation which everybody agrees something should be done about.

Mr. THOMAS. Will the gentleman from California yield to me briefly?

Mr. PHILLIPS. I yield to the gentleman from Texas.

Mr. THOMAS. The hour is getting late. Everybody is getting tired. Everyone has various and sundry views on this subject. I wonder if we cannot get unanimous consent to an agreement to limit debate—there is only one item here, and that is the AMA item—to, say, 35 or 40 minutes. And if we cannot do it, let us move and get rid of it. Then we will take this thing to conference and I believe we can work it out to the satisfaction of everybody. We know what everybody's ideas are on this subject. There are 4 or 5 groups who are not going to agree. I suggest a unanimous-consent agreement, Mr. Chairman, to limit debate to 35 minutes.

Mr. PHILLIPS. May I suggest 30 minutes?

Mr. THOMAS. I suggest 35 minutes; that debate on this amendment and all amendments thereto and the remainder of the Veterans' Administration section be limited to 35 minutes.

Mr. PHILLIPS. Reserving the last 5 minutes to the gentleman from Texas [Mr. THOMAS].

Mr. THOMAS. I do not care about that.

Mr. BROOKS. Reserving the right to object, will that give each of us at least 3 minutes?

Mr. THOMAS. Mr. Chairman, I move that all debate end in 40 minutes on the section dealing with the Veterans' Administration affairs and that the last 7 minutes be given to the committee.

Mr. TEAGUE. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. TEAGUE. I make the point of order that debate must ensue before the motion is in order.

Mr. PHILLIPS. Debate has been had.

The CHAIRMAN. The bill has been considered read.

The question is on the motion of the gentleman from Texas.

The question was taken; and on a division (demanded by Mr. TEAGUE) there were—ayes 98, noes 70.

So the motion was agreed to.

The CHAIRMAN. The time will be divided equally between the Members seeking recognition.

Mr. VAN ZANDT. Mr. Chairman, I offer a substitute amendment.

The Clerk read as follows:

Substitute amendment offered by Mr. VAN ZANDT to the amendment offered by Mr. ADAIR: On page 19, line 23, after the semicolon strike out the remainder of the line, also lines 24 and 25; and line 1 up to and including line 5 on page 20.

Mr. McCORMACK. Mr. Chairman, I make a point of order against the amendment that has been offered. It is not a substitute, it is a perfecting amendment. The gentleman can correct it very easily, but instead of being a substitute it is an amendment to the existing paragraph.

Mr. VAN ZANDT. I will change it to "perfecting amendment."

Mr. McCORMACK. I simply make that point of order to keep the parliamentary situation correct.

The CHAIRMAN. In reference to the point of order raised by the gentleman from Massachusetts, the Chair desires to read as follows from Cannon's Procedure:

When it is proposed to strike out certain words, it is not in order to amend by adding other words to the paragraph but it is in order to amend by striking out a portion of the words specified.

Mr. McCORMACK. Mr. Chairman, I am not making a point of order against the amendment itself. It should be a perfecting amendment, not a substitute amendment. In other words, if the gentleman had offered it as an amendment I would have no objection.

The CHAIRMAN. Without objection, the amendment will be changed to read "perfecting amendment" rather than "an amendment to the amendment."

There was no objection.

(By unanimous consent, the time allotted Mr. JOHNSON was yielded to Mr. VAN ZANDT.)

[Mr. VAN ZANDT addressed the Committee. His remarks will appear hereafter in the Appendix.]

The CHAIRMAN. The Chair recognizes the gentleman from Ohio [Mr. SECREST].

Mr. SECREST. Mr. Chairman, I think definitely that this is one of the most complicated veterans' propositions that has ever come before this House. We of the Veterans' Affairs Committee have already this year considered 90 bills in 20 full days of hearings and in 22 days of subcommittee hearings. We are cognizant of this problem, and that is the only place that you can solve this

question without running into every possible danger and every kind of injustice not only to the veteran but to the taxpayer. Here you say in the part that even would remain, if this perfecting amendment is adopted, that the Veterans' Administrator can go behind that affidavit and see whether or not this veteran could pay for his own hospitalization. If that is to be done, then there should be some standards set by law and not leave it up to the Veterans' Administrator. There should be certain standards set by law as to when is a veteran able to pay. I would ask the chairman of the committee or anyone else to get it clarified here in the Record before this becomes a law. If a veteran owns a 4-room house, has a wife and 4 children, has not a cent to his name, must he mortgage that house or sell it before he can get into one of these hospitals as a non-service-connected veteran? If you say "No," then if he owns an 8-room house, must he mortgage that before he is eligible? If he has \$500 in the bank and is single, must he turn that \$500 over to the hospital before he gets in? If the answer is "No," if he has \$5,000, must he do that? There should be some standard set up by legislation if we are going to go behind that affidavit as to a veterans' ability to pay. If you leave it to the Veterans' Administrator and if he, in turn, leaves it to the admission hospital, you can see the situation you are in. A veteran may get into a hospital in Florida with \$50,000, but in Ohio he may be denied with \$5,000. The place to fix this is in the Veterans' Committee after a full hearing.

If this rider stays in the bill we will run the risk of harming the veteran just as bad as the economy bill did in 1933. It provides a meat ax with no instructions as to its use. It provides a club with no curb on the place to swing it.

(Mr. SAYLOR asked and was given permission to yield the time allotted to him to Mr. TEAGUE.)

The CHAIRMAN. The Chair recognizes the gentleman from Texas [Mr. TEAGUE].

Mr. TEAGUE. Mr. Chairman, first I want to say that any Member of this House who thinks that the American Legion, the Veterans of Foreign Wars, and the Disabled American Veterans are favorable to all these riders will find out differently. I do not know what they told the gentleman from Pennsylvania when they spoke to him, but they certainly did not tell me they were in favor of these riders. They did tell me that they were in favor of the \$555 million for hospitalization.

Mr. VAN ZANDT. Mr. Chairman, will the gentleman yield?

Mr. TEAGUE. I yield to the gentleman from Pennsylvania.

Mr. VAN ZANDT. I think if the gentleman will read the Record he will find I said that they accepted with reservation and with great reluctance.

Mr. TEAGUE. I think if you will read the Record first you said that they agreed to this bill, and later I asked you if they accepted the riders and you said they accepted some without reservation

and others with reservation. I want to make it clear that they did not tell me that they were in favor of the provisos in this bill.

The gentleman from Georgia said this would cause a hodgepodge of legislation. When this bill came out, I asked the Administrator of Veterans' Affairs this question—and I hope I have time to read what he says:

VETERANS' ADMINISTRATION,
Washington, D. C., June 16, 1953.
Hon. OLIN E. TEAGUE,
House of Representatives,
Washington, D. C.

DEAR MR. TEAGUE: This is in reply to your letter of June 11, 1953, addressed to the Assistant Administrator for Legislation, concerning certain restrictive provisions and legislative riders in connection with the proposed appropriations for the Veterans' Administration in H. R. 5690, 83d Congress, "A bill making appropriations for additional independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1954, and for other purposes."

You desired comments as to any inconsistencies or ambiguities by reason of the referenced provisions and advice concerning any unusual problems which might be created thereby. They will be discussed in the order specified in your letter.

RESTRICTION OF PAYMENTS TO EDUCATIONAL INSTITUTIONS TO A MAXIMUM OF \$1 PER MONTH FOR EACH ELIGIBLE VETERAN

The second proviso under the heading "General Operating Expenses," on page 10, provides: "Provided further, That effective September 1, 1953, no part of any appropriation shall be used to pay to educational institutions for reports and certifications of attendance at such institutions an allowance at a rate in excess of \$1 per month for each eligible veteran enrolled in and attending such institution."

This would be a permanent limitation on the use of appropriations implementing section 265 (b) of the Veterans' Readjustment Assistance Act of 1952 (Public Law 550, 82d Cong., approved July 16, 1952). That provision of the Korean GI bill directs the Administrator to pay to each educational institution which is required to submit reports and certifications to the Administrator in connection with the education and training program for veterans of the Korean conflict period an allowance at the rate of \$1.50 per month for each eligible veteran enrolled in and attending the institution. This is stated to be for assisting the institution in defraying the expense of preparing and submitting such reports and certifications.

The language of the appropriation bill, literally construed, would purport to reduce the amount of the payment in every case on and after September 1, 1953, whereas it is presumably intended that the allowance shall not exceed the \$1 rate for reports and certifications covering attendance on and after September 1, 1953, without precluding payment after that date at the \$1.50 rate for services in making reports and certifications covering attendance prior to September 1, 1953. This could be clarified by a simple amendment such as the insertion of the words "covering attendance on or after September 1, 1953," immediately following the word "institutions" in line 25 of page 10 of the bill.

Other than the foregoing, there is no ambiguity or inconsistency in this language, and the Veterans' Administration does not anticipate that there would be any unusual administrative problem created thereby from the standpoint of our operations. The matter of reducing the rate of this allowance is one of policy for the Congress to determine. As a matter of background information, it

may be noted that this authorization was first placed in the bill (H. R. 7656), 82d Cong., which became the Veterans' Readjustment Assistance Act of 1952, by the Senate after the bill had been passed by the House without such a provision. The Senate language did not specify an amount, but directed the Administrator to pay a uniform allowance to be determined by the Administrator, with a pro rata reduction for part-time training. The conference committee substituted the provision which was finally enacted calling for a payment at the rate of \$1.50 per month, without distinction between full-time and part-time courses. In other words, it was apparently concluded that a fixed amount should be prescribed (\$1.50 per month) for payment in every case to compensate the institution for these reporting services required by the basic act.

LIMITATION OF USE OF APPROPRIATION FOR STAFFING AND OPERATION OF HOSPITAL BEDS

The proviso on page 11 following the appropriation under the heading "Maintenance and Operation of Hospitals" reads:

"Provided, That the foregoing appropriation is predicated on the staffing and operation of 114,315 beds during the fiscal year 1954, and if a lesser number is provided, such appropriation shall be expended only in proportion to the number of beds staffed and operated."

No difficulties are anticipated in applying this limitation, if enacted as a part of the bill.

RESTRICTION ON OUTPATIENT DENTAL CARE

In connection with the appropriation under the heading "Outpatient Care" beginning at the bottom of page 12, there are two provisos (p. 13), as follows:

"Provided, That no part of this appropriation shall be available for outpatient dental care and treatment, or related dental appliances, when the dental condition or disability being treated is not compensable, unless such condition or disability is shown to have been in existence at time of discharge and application for treatment is made within 1 year after separation from service, or 1 year after the enactment of this act, whichever is later: *Provided further*, That when any such noncompensable dental condition or disability has once been corrected, additional care and treatment therefor may not be provided."

Before considering these provisos it should be mentioned that the limitation of \$23 million for outpatient dental care immediately preceding the first proviso (line 25, p. 12, and line 1, p. 13) is not qualified and would, in terms, apply both to outpatient dental care furnished by Veterans' Administration staff and outpatient dental care handled on a fee basis with hometown dentists. In the light of the committee report (p. 10), it seems clear that the limitation of \$23 million was intended to refer only to outpatient dental care handled on a fee basis. If, as appears to be the case, it is not intended to include staff dental treatment in this ceiling it would appear that the language of the limitation should be revised so that it refers only to outpatient fee basis dental care.

The quoted provisions limit the use of the 1954 appropriation only and would not be permanent in character.

These limitations would not require any change in the authorization for treatment of compensable dental disabilities. Moreover, it is believed that they would not limit the furnishing of outpatient dental treatment on an adjunct basis when the dental condition, though it is noncompensable, is associated with and aggravating a service-connected medical disability for which outpatient treatment is authorized. This type of treatment is afforded under the existing regulations pursuant to law and would be regarded as treatment of the basic service-

connected medical disability and, therefore, outside the scope of the restriction in question. There is a question, however, as to whether these restrictions might not preclude outpatient treatment for a noncompensable dental condition in the case of a disabled veteran trainee pursuing vocational rehabilitation training under Public Law 16, 78th Congress, or Public Law 894, 81st Congress, as amended. Presently such treatment is authorized, irrespective of whether the condition is service-connected or compensable, in order to prevent interruption of the training. If this result is not intended, clarifying language is indicated, as, for example, an added sentence at the end of line 11, page 13, as follows:

"Nothing in the foregoing provisos shall be construed to prevent authorized outpatient dental care and treatment for trainees under Public Law 16, 78th Congress, as amended, or Public Law 894, 81st Congress, as amended, who are in need of treatment to avoid interruption of such training."

It may be noted that the restriction would bar outpatient dental treatment in many cases of Spanish-American War veterans who now receive such treatment pursuant to Public Law 791, 81st Congress, which declares that upon application for outpatient treatment they shall be deemed to have incurred their disabilities as the direct result of their war service. In general, the dental disabilities of these veterans are not compensable.

Difficulty may be encountered in determining the meaning and proper application of the provision of the language in the last proviso which excludes additional care when the noncompensable dental condition has once been corrected. This is subject to variable interpretations. It is assumed, however, that it is intended to refer to a treatment or series of treatments in which the noncompensable dental disability which existed at discharge has been once completely treated, without regard to later developments.

In view of the 1-year limitation with respect to noncompensable cases, it may be expected that there will be an increase in the number of applicants during the 1-year period following the enactment of this provision.

ELIMINATION OF LOAN GRATUITY PAYMENTS

At page 14 a proviso to the appropriation for readjustment benefits would prohibit, on and after September 1, 1953, the use of any appropriation to the Veterans' Administration for payment of the 4 percent gratuity on loans made, guaranteed or insured under title III of the Servicemen's Readjustment Act of 1944, as amended. A second proviso would protect the right to payments based on guaranties made, or certificates of commitments issued prior, to that date.

No changes in language appear necessary to carry out the intended effect of eliminating the loan gratuity subject to the safeguard in the second proviso. No administrative difficulties are perceived.

As background for your consideration of this matter, it may be pointed out that in making the provision for the payment to the veteran's loan account of an amount equal to 4 percent of the guaranteed portion of the loan (up to \$160) it was the apparent intention of the Congress to assist him in meeting a part of the expenses incident to the closing of the loan. Consistent with that aspect of the gratuity, the Veterans' Administration has permitted charges against the veteran to pay costs such as those entailed in obtaining an appraisal, in obtaining credit information, and in the inspection of new construction. One consideration in permitting these charges was that the gratuity more than compensated the veteran for these initial outlays.

It may be noted that since the removal of credit restriction on April 23, 1953, greater

flexibility is now permitted on the application of the gratuity payment. The manner in which it is applied is determined by the agreement between the lender and the veteran, but the veteran may now request that the gratuity be applied to meet regular monthly mortgage payments as they accrue, thus giving him an immediate benefit. For example, if the monthly mortgage payment is \$53.33 or less, the \$160 gratuity would give the veteran a 3-month breathing spell soon after the loan is made. Even if the gratuity payment is initially applied as a prepayment of principal, future interest accruals will be proportionately reduced so that the loan will be paid off several months earlier if payments are made on schedule. Moreover, it does not necessarily follow that in the event the gratuity is applied to the principal balance of the loan, the veteran will obtain no tangible benefit until the final maturity approaches. This is true because, in such a case, if the veteran later encounters financial distress, he may request the reapplication of the gratuity payment to cure the delinquency resulting from his inability to meet his regular mortgage payments. In this aspect the gratuity thus provides a cushion against a period of distress.

Notwithstanding the foregoing, it is realized that this matter is one of policy which involves the consideration on the one hand of the material savings which would result from the elimination of the gratuity payment and on the other hand of factors such as the possible arguments of discrimination against World War II and particularly Korean conflict veterans who have not yet availed themselves of their loan entitlement under the Servicemen's Readjustment Act and the fact that the withdrawal of this element of the total assistance now available to the veteran would further reduce the preferred position intended to be accorded him by the loan guaranty program under the Servicemen's Readjustment Act.

LIMITATION CONCERNING HOSPITALIZATION FOR NON-SERVICE-CONNECTED DISABILITY

Beginning at the bottom of page 19 is the following:

"Notwithstanding the provisions of section 6 of Public Law 2, 73d Congress, as amended (38 U. S. C. 706), the Administrator of Veterans' Affairs is authorized to investigate any non-service-connected veteran's statement of inability to defray the cost of hospitalization, treatment, or domiciliary care, where reason exists to doubt the accuracy of such statement; and the Administrator shall make every effort to collect from any veteran hospitalized, cared for, or treated for a non-service-connected disability according to the ability of the veteran to pay for such hospitalization, treatment, or care: *Provided further*, That inability to pay shall not prevent any veteran from receiving hospitalization, treatment, or domiciliary care, if such veteran is unable to pay and there is a bed available."

This is a legislative provision which is not prescribed in terms of a limitation on appropriations. Its net effect would be to authorize the Administrator to charge and collect from a veteran hospitalized or domiciled for a non-service-connected disability amounts commensurate with his ability to pay for hospitalization, treatment, or domiciliary care. While affirmatively authorizing the Administrator to investigate the veterans' statement of inability to defray the cost of hospitalization, etc., where reason exists to doubt the accuracy of the statement, this language would not change the basic provisions of section 6 of Public Law No. 2, 73d Congress, as amended, which require the Administrator to accept the oath of the applicant as sufficient evidence of inability to defray necessary expenses. Thus, the Veterans' Administration could not, under the proposed language, refuse to

admit veterans otherwise eligible who file sworn statements of inability to pay. Further, it is believed that the language would not affect cases in which the veteran's eligibility is not dependent upon inability to pay, specifically veterans who are now eligible under the implementing regulations for hospitalization for non-service-connected disabilities because they were either discharged for a service-connected disability or in receipt of compensation.

This proposal will obviously impose serious administrative burdens. For example, it would appear that some procedure will be necessary from which to make a preliminary determination of ability to pay and a determination whether further investigation is indicated, notwithstanding the sworn statement that the veteran is unable to defray the expense of hospitalization. This might require some such procedure as revision of the application form to require a financial statement, and this would present complexities as to what items were properly for inclusion and exclusion on such a statement. Depending upon what preliminary facts might disclose, there would then arise the question as to what cases would justify further investigation and how extensive such an investigation should be, considering the expense involved and the possible results.

There would exist the administrative problem of how to fix the charges and pro rate them in accordance with the individual's ability to pay as well as the difficulties of estimating ability to pay on a uniform basis in view of the many variations in individual circumstances. This would in some long-time cases also entail the determination of whether payments should be exacted throughout the course of hospitalization and how to gear the amount charged to the probable duration of hospitalization. In some cases it might be necessary to wait until the end of the period of hospitalization to determine what a proper charge would be. Finally, having fixed a charge, the problem of collection would frequently become a troublesome one, possibly involving the question of offsetting the amounts charged against items otherwise payable to the veteran.

Although it is not contended that this provision is incapable of being administered, the preceding discussion is indicative of some complications which would necessarily be encountered. It is impracticable to attempt any precise formulation of the administrative procedure which would be followed. Careful study and planning would be required in order to implement this provision without unduly impeding operations.

The urgency of your request has not permitted time for ascertaining from the Bureau of the Budget the relationship of these proposals to the program of the President.

Sincerely yours,

H. V. STIRLING,
Deputy Administrator
(For and in the absence of the Administrator).

That is what the Administrator of Veterans' Affairs says about this section. I hope this section will be stricken out.

Mr. SAYLOR. Mr. Chairman, will the gentleman yield?

Mr. TEAGUE. I yield to the gentleman from Pennsylvania.

Mr. SAYLOR. If this whole section is stricken out, the affidavit which is now in existence still remains?

Mr. TEAGUE. That is true.

Mr. SAYLOR. The proper committee to handle this type of legislation is the Committee on Veterans' Affairs and not the Committee on Appropriations.

Mr. TEAGUE. Our committee, of which the gentleman is a very able member,

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. TEAGUE. I yield to the gentleman from Minnesota.

Mr. JUDD. I want to make sure I understood the gentleman correctly. Is he in favor of the Adair amendment or the Van Zandt amendment, to strike out only that language between the two semicolons?

Mr. TEAGUE. I am in favor of the language in the bill down to the semicolon. I do not think you can argue about that. There is no misinterpretation you can put on it. I do think our committee should pass on it. However, the rest of it is not interpretable.

Mr. JUDD. The gentleman would favor the Van Zandt amendment, which would strike out the language between the two semicolons?

Mr. TEAGUE. I did not understand that that was what it would do. If it does that, I am very much in favor of it, but our committee should pass it.

The CHAIRMAN. The Chair recognizes the gentleman from North Carolina [Mr. BARDEN].

(Mr. DEANE asked and was given permission to yield the time allotted to him to Mr. BARDEN.)

Mr. BARDEN. I wish to thank the gentleman from North Carolina [Mr. DEANE]. It is most kind of him. Mr. Chairman, I do not think there is any man in the House who appreciates more than I the fine work the Committee on Appropriations does, and I know a great deal about the problems with which they are faced. At the same time, we have legislative committees of the House who conduct hearings, listen to all the testimony, and listen to the technical problems that come up in just such matters as this. I do not think, with all the rest of the problems the Committee on Appropriations has, they are capable of listening to a few minutes of discussion, of listening to a recommendation, whether it be from the budget or anyone else, and then, with a brush of the pen, writing this kind of legislation into an appropriation bill.

If that is sound legislation there are going to be a lot of unemployed folks on legislative committees, because if you can do it in this case we might just as well adopt it as a policy.

This section here is just full of trouble. I do not know what guide the Administrator will use in saying whether or not a man is capable of paying a bill. Is there anyone here who would offer a suggestion as to what would be a guidepost for him in that case? I do not know whether the Administrator should be authorized to refund payments to a veteran who is in the hospital and who left the hospital, if 3 months later the Veterans' Administration declared his disability to be service-connected. If such a declaration should be made, then the Government would owe him that amount of money from the beginning. Yet no provision is made.

I do not know how they would proceed to collect payments due, whether they would turn the matter over to the Attorney General, whether it would be a Federal procedure for him to prosecute

the veteran in the district court of the United States and perhaps in the end sell everything the veteran had except his homestead.

I do not know what the committee intends. I think I know the objective of the committee. I think I know what they have in mind, and I am in sympathy with the idea of protecting the Government against abuse by people who would take advantage of the Government if they had an opportunity to do so. At this time when we are creating new disabled veterans every day, and even at this late hour the Veterans' Administration is declaring service-connected disabilities which were incurred in the First World War and in the Second World War, only a small percentage, you might say, in comparison with what will come when compared with those that were declared service-connected from the beginning, and when every day the boards in the Veterans' Administration are declaring them service-connected disability, I say here is a big job of about a week or 10 days of intensive study and hearings before a legislative committee to write a law of this type instead of doing this with the brush of a pen at this time when we should be more than careful in writing veterans' legislation because there are many people in this country who are pretty sensitive about the 150,000 casualties caused by this present Korean war, police action, or whatever you may choose to call it, and more who are coming in every day. So, Mr. Chairman, my discussion with the gentleman from Indiana is simply to try to get the time to really think out where we are going. He wanted to limit it to 25 or 30 minutes. No; it involves too much suffering to be disposed of in such a short time. I hope this language will be just stricken out and that the proper committee—the Veterans' Affairs Committee—will be able to give it the study that is necessary. We are asking too much of the Armed Forces of this country; let us love and consider them as much in the Halls of Congress as we do on the battlefields or on election day.

The CHAIRMAN. The Chair recognizes the gentleman from Oklahoma [Mr. EDMONDSON].

Mr. EDMONDSON. Ordinarily, Mr. Chairman, I am in wholehearted agreement with the gentleman from Texas [Mr. TEAGUE] on matters affecting veterans. But, I must with great reluctance take issue with my distinguished friend from Texas on the stand which I understand he is taking on this measure. I personally favor the Adair amendment because I believe the Adair amendment in very clear and in unmistakable terms leaves it to the proper committee to consider this question and the determination of whether or not we are going to change the basic law of the United States with regard to the care which is given our veterans. That basic law which appears in title 38 of the United States Code provides definitely the statement under oath of the applicant in such form as may be prescribed by the Administrator of Veterans' Affairs shall be accepted as sufficient evi-

dence of inability to defray necessary expenses.

We now propose to place on the Veterans' Affairs Administrator the duty of investigating these affidavits. To investigate them for what purpose? To investigate them to what end? And in what way are we changing the fundamental function of the Veterans' Administration? Is the Veterans' Administration set up to be an assistance and an aid and a friend to the veteran or is it set up to be an FBI to police the private affairs of the veteran and to check into his bank balance? I believe we are changing the fundamental function of the Veterans' Administration by this simple rider which appears in this bill. I do not believe it is proper to legislate this way without action by the Committee on Veterans' Affairs. For that reason, I believe the Adair amendment should be adopted.

Mr. TEAGUE. Mr. Chairman, will the gentleman yield?

Mr. EDMONDSON. I yield.

Mr. TEAGUE. I want to concur with the statement that the gentleman has made. I am in favor of the Adair amendment. I said I did not object to the language down to the semicolon. I am in favor of the Adair amendment 100 percent.

Mr. EDMONDSON. Then I apologize to the gentleman from Texas because my understanding is that he stated he favored the amendment of the gentleman from Pennsylvania [Mr. VAN ZANDT].

Mr. TEAGUE. I do not object to the language down to the semicolon.

[Mr. LANHAM addressed the Committee. His remarks will appear hereafter in the Appendix.]

The CHAIRMAN. The Chair recognizes the gentleman from Louisiana [Mr. BROOKS].

Mr. BROOKS of Louisiana. Mr. Chairman, I want to take this time to state that I realize and recognize that there are abuses of the present system. I realize that some of our veterans have taken advantage of the VA hospital system. I recognize that the system ought to be tightened up. But I say this: that it is a very serious matter, requiring much study, to work this out properly, and I do not want to see a bill passed here which will create more abuses than the ones we are trying to correct.

I know down in my own State, we have a State charity hospital system. There are also the VA hospitals. Mr. Chairman, the shortage of beds has been such in mental cases that veterans have been placed in jails temporarily, and some of them have been allowed to remain there for several weeks at a time in local jails down there in Louisiana because of lack of beds in VA hospitals. Some of them had to be placed in State-owned charity hospitals in Louisiana.

Mr. Chairman, it is a serious matter to refuse a hospital bed to a veteran who is sick and disabled, or wounded. And I think that is what has happened too often in the past.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. HAGEN].

Mr. HAGEN of California. Mr. Chairman, my mother never told me how difficult it was to get a word in edgewise in this place.

I want first to congratulate the veterans' organizations of the United States who got behind this committee and gave them a boost and the benefit of their advice on this veterans' budget. I think the good aspects of the budget are largely attributable to the interest of the active veterans' organizations in this country.

I am a member of the Committee on Veterans' Affairs and as such member I appreciate the tribute paid to us by the gentleman from Texas [Mr. THOMAS] as being a great committee. But, if we are such a great committee, I think we ought to do a little legislating about veterans' affairs instead of turning our duties over to the Appropriations Committee.

I would be willing to serve on the Appropriations Committee with one-quarter of a vote instead of on the Veterans' Affairs Committee with one vote, which I have, and I think I would get more accomplished for the veterans.

Let us analyze the language of this bill. Gentlemen before me have pointed out that any law student, any first-year law student, could write better language than is contained in this legislative proviso at this point in the bill.

Presumably it was an economy move. Certainly the AMA would have drawn such a proposal, yet they come in here objecting to it. I have a telegram from my local medical association objecting to the original language in this bill. The American Legion objected to the original language here, because it opened the door to a larger number of veterans, although it was supposed to be an economy move.

Are we going to adopt some substitute language here, which most of us have never seen, with any assurance that it is any better than the language in this bill? We should adopt the Adair amendment, strike this out; and if these gentlemen on that committee want to legislate on this subject, let them introduce a bill in our Veterans' Committee and we will report it out.

The CHAIRMAN. The Chair recognizes the gentleman from Pennsylvania [Mr. FENTON].

Mr. FENTON. Mr. Chairman, when this bill was reported by the subcommittee to the full Appropriations Committee I rather anticipated that we would have this confusion when it reached the floor of the House. On that assumption I tried in the full committee to do what has been done here today, to take out a lot of superfluous language that I think does not have any place in this bill.

To my mind, even if the language is left in this particular section down to the semicolon, as has been so aptly said here, it will just simply revert to what the present law intends, and I think that if the subcommittee has done nothing else than pinpoint the necessity for some legislation necessary to control these things that are going on, I believe it will have done a good job.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. FENTON. I yield.

Mr. HALLECK. It ought to be understood, of course, that if this so-called rider stays in here the legislative committee could report out a bill changing this language after it became law and could rewrite the language and make it effective, having particular regard for whatever may be included in this bill.

Mr. FENTON. In the time remaining to me all I have to say is that I support the Van Zandt amendment simply because it does pinpoint the necessity for some action by the legislative committee; and I am certainly not in favor of the Appropriations Committee usurping the duties of the legislative committee.

Mr. CHAIRMAN. The Chair recognizes the gentleman from Indiana [Mr. ADAIR].

Mr. ADAIR. Mr. Chairman, the course of this debate, I think, has made abundantly clear one of the fundamental things to which those of us who do object to this wording find obnoxious. The fact is that its meaning is completely unclear; it is not understandable; it is susceptible to as many different interpretations, I think, as there are individuals within this chamber today.

It is suggested that the amendment that I proposed would strike out all of this wording; and let me be very clearly understood, Mr. Chairman, that is exactly what I want. I do not want the conference committee to write this legislation any more than I want the Appropriations Committee to write it. I want the legislation, if it be necessary—and I believe it is—to be written after adequate hearings and after an opportunity has been presented to all interested parties to present their views and then a legislative committee can act with intelligence.

I believe that if this committee fails to take that course today we are setting a course which will give us very great difficulty in days, months, and years to come. It will be not only the Veterans' Affairs Committee for which legislation will be written, but it will be also the committees upon which all Members of this House serve.

I believe that we have a matter of principle as well as a matter of good parliamentary practice before us today, and here is an opportunity to show that we do believe in a principle and that we do favor some parliamentary practice.

Let me say again, and I think I am speaking not only for myself but also for many others, that we do not object to the goals but we do object to the means by which those goals are sought to be attained.

The CHAIRMAN. The Chair recognizes the gentleman from Indiana [Mr. BEAMER].

[Mr. BEAMER addressed the Committee. His remarks will appear hereafter in the Appendix.]

The CHAIRMAN. The Chair recognizes the gentleman from Minnesota [Mr. JUDD].

Mr. JUDD. Mr. Chairman, I shall support the Van Zandt amendment. One reason we are in this trouble today is we have to recognize there have been times in the past when the Committee on Veterans Affairs has not been as vigorous as some of us thought it ought to be in dealing with legislation trying to correct certain difficulties and abuses which have arisen. With the assurance that we have that the present Veterans Affairs Committee is on its toes and will deal with this matter, we do not need to be unduly alarmed.

Every one who has a veteran's hospital in his district, as I have, knows that a vertiable racket has developed. People with good incomes will go into one of those hospitals and get a hernia operation, which is not an emergency, they will get it for nothing, then collect insurance from their health insurance company of \$150 and put that money in their pockets. That is an outrage and simply must be taken care of.

On the other hand, to try to correct it by this language below the semicolon, which would set up a body of adjudicators to decide who should pay 20 percent, or 40, 60, or 80 percent, would create a body of people using up more money than the Government would get and cause more trouble, confusion, and bitterness between veterans who did not get exactly the same treatment than anything I have seen in a long time.

I believe, however, that the first part of this language should be retained. I am advised by the gentleman from Texas [Mr. TEAGUE]—and there is no man in the House who commands more respect on either side so far as veterans' legislation is concerned than the gentleman from Texas—that he himself has introduced a bill which will contain precisely the same language beginning in line 17 and on down to the semicolon in line 23. I believe that language should be retained. If we were to strike that language out here today it could properly be interpreted to mean that the Congress does not want anything done about these folks who are getting unjustified care. So I favor the Van Zandt amendment.

The CHAIRMAN. The Chair recognizes the gentleman from West Virginia [Mr. NEAL].

Mr. NEAL. Mr. Chairman, due to the lateness of the hour and due to the fact that this discussion has covered every point which I could possibly emphasize, I shall submit my remarks for the RECORD and state that I am firmly convinced that our best move is to indorse the Van Zandt amendment.

Mr. Chairman, I wish to submit for the RECORD a letter addressed to the members of the House Appropriations Committee by the National Medical Veterans Society, and a letter addressed to the same committee by Dr. F. E. Wilson, director, Washington office, American Medical Association:

JUNE 12, 1953.

Re VA hospitalization rider of second independent offices bill.

To the Members of the House Appropriations Committee:

The National Medical Veterans Society recently held its annual meeting in New York

City. Its executive body has formally indorsed the recent investigation into the widespread misuse of Veterans' Administration medical facilities conducted by Representative JOHN PHILLIPS, of California. This work has focused attention particularly on the care given to veterans for non-service-connected disabilities, despite the fact that many of these men were apparently well able to pay for medical care. We subscribe to the finding that this has produced a distinct hardship on veterans wounded or injured in action who are unable to obtain hospitalization, since the non-service-connected cases have already occupied all of the hospital beds. A further inequity is incurred by the veteran suffering with chronic illnesses, such as tuberculosis or neuropsychiatric problems, who are in distinct need of prompt and immediate hospitalization.

In the CONGRESSIONAL RECORD of June 4, Representative PHILLIPS, in a speech before the House, outlined what the report of his subcommittee would recommend. Of primary interest to us was the statement requesting the authorization of the Administrator of Veterans' Affairs to investigate any non-service-connected veteran's statement of inability to defray the cost of hospitalization or treatment; and further that the Administrator shall make every effort to obtain at least partial payment according to his ability to pay.

We, as veterans ourselves, and as those who have been the first to see war-incurred injuries and their complication, have no dispute with full care for the service-connected infirmity. However, we strongly recommend to the Congress that they consider most carefully the above-suggested amendment in that section which applies to partial payment for non-service-connected cases. Our reasons are as follows:

1. This will increase the waiting list for hospital beds and inevitably will cause further delay in the hospitalization of service-connected patients.

2. This will vastly enlarge the number of veterans eligible for hospitalization for non-service-connected disabilities by allowing them to make partial payment when able to afford it. In the long run it will increase the burden on the taxpayer and force the eventual expansion of an already too large medical program.

3. It will give a congressional blessing to an enlarged Government medical program supported in large part by Government funds and Government facilities—in essence, Government medicine coming in the side door.

4. We feel that inability to pay shall not prevent any veteran from receiving hospitalization or treatment for non-service-connected tuberculosis or neuropsychiatric disease.

In conclusion, as a veterans organization composed of over 20,000 physicians whose members live from coast to coast, we want to affirm that above all we support treatment for the service-connected veteran. We reaffirm our indorsement of the work done by Congressman PHILLIPS in his investigation of the misuse of Veterans' Administration medical facilities. We hope this investigation will be continued.

O. B. HUNTER, Jr., M. D.,

Chairman, Veterans Affairs Committee,
National Medical Veterans Society.

W. B. WALSH, M. D.,

Chairman, Legislative Committee, National Medical Veterans Society.

To Members of House Appropriations Committee:

Re Second independent offices bill, VA hospitalization rider.

American Medical Association strongly urges the House Appropriations Committee to critically review the hospitalization rider in the Veterans' Administration appropriations bill, text of which appears in the Con-

CONGRESSIONAL RECORD for June 4, starting at the bottom of page 6319 and concluding on page 6320. For years our association has been studying this problem in great detail. While one of the objectives in this rider is certainly praiseworthy, we are convinced beyond any doubt that if the rider is enacted intact the eventual result will be to make millions more veterans fully eligible for hospitalization for all non-service-connected conditions, subject only to sliding scale of partial payment based on income.

Under the first major provision of this rider, VA would be authorized (but not required) to turn away veterans who obviously could afford to pay the entire bill, but would admit those unable to pay the entire bill. Under the second, VA would be directed to attempt to collect the veteran's share of the bill, a percentage which could be determined only by means of a sliding scale based on income or financial resources. In every case the Federal Government would bear the remainder of the cost.

This second provision is a new concept of Federal medical care, one found nowhere else, to our knowledge. It would constitute, in effect, a standing offer on the part of the Federal Government to pay part of the cost of medical care for every veteran suffering from a non-service-connected condition. Even the so-called inability oath would lose its meaning, because there would be some payment from all but the most destitute.

It seems to us a reasonable conclusion that in the years ahead millions of veterans would apply for such hospitalization and medical care as a matter of right. This rider would, in our carefully considered opinion, bring about an unwarranted, dangerous, and incalculably expensive expansion of the Veterans' Administration's medical program, in competition with non-Government medical care and non-Government hospitals. It would establish an uncontrollable program of Government-subsidized medicine for a large segment of our population. The long-run effect would be more, not fewer, VA hospitals and larger, not smaller, medical and supporting staffs to care for men whose conditions are not the result of military service.

Our association heartily supports the objectives of an investigation where there is doubt of the accuracy of the inability oath, as outlined in the first part of the rider. However, we believe the effectiveness of the legislation would be greatly increased by directing, not authorizing, the Administrator to make investigations where there is doubt of the accuracy of such statements. There should be no option on the part of the Administrator in doubtful cases; every doubtful case should be investigated.

While we realize that the committee is not at this time considering other amendments to the law, it is the standing policy of our association that care of nonservice cases be provided, within limits of existing facilities only to veterans suffering from tuberculosis or psychiatric or neurological disorders and who are unable to defray their own hospitalization expenses.

F. E. WILSON, M. D.,
Director, Washington Office, American Medical Association.

Further, I want to refer you to a statement made by Miles D. Kennedy, director of the American Legion, which appears in the CONGRESSIONAL RECORD for June 15, 1953, page A3658, under extension of remarks made by the Honorable EDITH NOURSE ROGERS. These releases all clearly express the fears of the writers that the language contained in the rider to this bill is capable of interpretation and administration never intended by the committee members who authorized this bill.

Under existing demands for Federal expenditures, appropriations for increased hospital facilities will of necessity have to be limited until deficit spending ceases to threaten our national economy.

The need for beds to care for service-connected veterans is certain to increase as veterans grow older and as their numbers increase with an ever-expanding need for manpower. To these service-connected disabled we have promised and intend to give unlimited hospital care. Non-service-connected veterans, wholly unable to pay, are likewise entitled to hospitalization under existing law, which limits non-service-connected veterans to hospital privileges only in the event of available beds. Such cases must not be encouraged to occupy beds when such occupancy deprives service-connected veterans of services in times of dire need.

It is easy to legislate benefits. It is far more difficult to discontinue these benefits once they are established. No better example of the ultimate financial involvement of overextending welfare payments can be found than the recent announcement by the Government of New Zealand that more than one-half of the national income is now required to meet the requirements of social-welfare commitments.

The veterans' programs are at present costing more than any other single Government outlay for domestic spending. In the light of history it will increase from year to year. The veterans of today will become the bearers of the tax burdens of tomorrow. Therefore, it is the veterans who must see to it that abuses of privileges do not increase this burden beyond their ability to meet it.

While we recognize the full responsibility of Government to provide hospitalization and medical care for the veterans who are eligible through service connection, we are equally cognizant that to further extend the privileges of hospitalization to the non-service-connected veterans will eventually destroy the program insofar as it is able to meet the needs of service-connected veterans. This must not be done. The inclusion of the rider referred to would undoubtedly offer the unlimited opportunity to non-service-connected veterans to utilize the available beds, at the expense of the service-connected veterans for whom the benefits were originally intended.

I hope it will be the pleasure of the Congress to delete these provisions from the present bill by adopting the Van Zandt amendment.

The CHAIRMAN. The Chair recognizes the gentleman from North Carolina [Mr. BONNER].

Mr. BONNER. Mr. Chairman, certainly the debate this afternoon has conclusively proved that legislative committees should be more active and function to a greater extent than they have in the past. It is with regret that I have noticed time after time the Committee on Appropriations bringing in legislation on appropriation bills; nevertheless, I commend the Committee on Appropriations for their effort to bring

about economy and efficiency in the various agencies of the Government.

There is not a Member of this House here this afternoon who is not in favor, as all Members are, of hospitalization to service-connected veterans and veterans who are not able to defray hospital expenses themselves. But certainly, all of us desire to reach the end that the Committee on Appropriations here is aiming at.

Therefore, Mr. Chairman, I shall support the amendment to strike out all after the semicolon and hope that the Veterans' Administration itself will carry out the law as it is on the books now and see that veterans who are able to pay their own hospital bills are not permitted to enter hospitals at Government expense, for the treatment of non-service disability.

Mr. ROGERS of Florida. Mr. Chairman, will the gentleman yield?

Mr. BONNER. I yield to the gentleman from Florida.

Mr. ROGERS of Florida. I just want to say, Mr. Chairman, that I favor this legislation and that I favor the amendment. I think that that will take care of the situation and it will take care of our veterans. We all are interested in not only our disabled veterans, but we are interested in all of them.

(Mr. JONES of Missouri asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. JONES of Missouri. Mr. Chairman, while I would commend the efforts of the subcommittee handling this bill, and the efforts of the Appropriations Committee in attempting to effect economies in the operation of our Government, and particularly in the Veterans' Administration, nevertheless I cannot agree with the principles and the policies involved in the legislative language inserted in this bill, which the gentleman from Indiana [Mr. ADAIR] seeks to strike in his amendment, which I am supporting. At the same time, Mr. Chairman, I would say that I feel the gentleman from Pennsylvania [Mr. VAN ZANDT] is in error as he seeks to retain a portion of the language authorizing the Administrator of Veterans' Affairs to investigate any non-service-connected veteran's statement of inability to defray the cost of hospitalization where reasons exist to doubt the accuracy of such statement, but strikes from the bill that saving provision inserted by the committee which states:

That inability to pay shall not prevent any veteran from receiving hospitalization, treatment of domiciliary care, if such veteran is unable to pay and there is a bed available.

I think, Mr. Chairman, that it is commendable for the committee to write certain limitations in appropriation bills, but there is much to be said against the policy adopted by this committee as it seeks to correct those impositions which have become more or less general through a rather lax interpretation of the law. This is a wide field which needs to be studied by the appropriate committee, and I believe, Mr. Chairman, that the action being taken here today, and the interest which has been generated

through the consideration of this bill and the discussion that has gone on, will serve to stimulate the Committee on Veterans' Affairs to bring in at an early date legislation to correct those conditions that have been the source of widespread criticism.

Mr. Chairman, I cannot discuss this subject of veterans hospitalization without paying a tribute to the present management of the Veterans' Administration hospital at Poplar Bluff, in southeast Missouri, the district which I have the honor to represent. It has been my privilege during recent weeks to visit this hospital, which is under the capable direction of Dr. Ernest M. Tapp, manager of the hospital, a practicing physician, who is active in rendering medical care to the patients in that hospital.

Unfortunately, in a recent press release from Washington, D. C., it was suggested that Poplar Bluff was one of several Veterans' Administration hospitals, "which Veterans' Administration medical experts estimated that they would have to close" as a result of cuts in their budget. The article went on to say that they were not ready to talk for the record. Actually it would appear that they were talking for propaganda purposes.

Largely because of that article I made a special trip to Poplar Bluff to see what conditions were in that hospital, and to reassure the employees of that hospital, as well as the people of Poplar Bluff, and particularly the more than 100 patients who were at that time receiving treatment in the hospital that I did not believe this hospital was in danger of being closed.

I made that statement because of the fact that it would appear to be the greatest folly to even consider the closing of a practically new hospital, approximately 3 years old, serving an extremely large area in southern Missouri and north Arkansas, and I might add the most populous rural areas of both of those States, and thousands of veterans who depend on this hospital for treatment, especially in cases of emergency.

The Poplar Bluff hospital, during the 6-month period from November 1952 through April 1953, has carried an average daily patient load of 109, with a turnover rate of 162 percent, and the efficiency of this hospital is indicated in the fact that during this period the average length of patient stay was only slightly more than 20 days. At the con-

clusion of these remarks, Mr. Chairman, I am including a tabulation showing the professional staffing pattern and workload for the Poplar Bluff hospital as compared with other hospitals of comparable size, which indicates not only the efficiency with which this hospital is being operated, but the service it is rendering to the veterans of not only northern Arkansas and southern Missouri, but transfers from other sections of the country.

It is true, Mr. Chairman, that the Veterans' Administration Hospital at Poplar Bluff could and should be caring for an even greater load than it is now, and I am assured by Dr. Tapp that he and his staff are prepared to take care of more patients. I think he is to be congratulated, and commended, however, that he is not seeking to keep his hospital filled with those who might be seeking only bed and board, but that he and his staff are rendering the highest type of service in restoring to health those who come to them for skilled medical and surgical attention, and returning them to their normal daily routine.

Following is the chart previously referred to:

Professional staffing pattern and workload

Hospital	Total bed capacity	Operating beds	Total employees	Total medical	Physicians	Nurses	Dentists	Total admissions	Total dispositions	Total applications	Applications rejected	Average daily patient load	Average length patient stay	Percent patient turnover rate	Per diem	CPS: Chief, Professional Services. Customarily, hospitals with medical managers and no Chief, Professional Services, show 50 percent of his time for professional work and 50 percent for administrative work.
Poplar Bluff, Mo.....	201	157	207	137	8	28	2	219	192	396	178	115	18	167	22.73	Includes manager, no CPS.
Grand Island, Nebr..	201	132	198	130	6	30	1	168	176	221	53	93	19	175	28.15	Do.
Beckley, W. Va.....	200	176	207	140	9	31	2	193	209	356	89	132	19	158	20.71	Do.
Big Springs, Tex.....	250	181	206	144	7	33	2	133	153	227	82	134	32	113	20.49	Lay manager and CPS.
Spokane, Wash.....	200	132	204	135	12	33	1	126	130	244	96	123	28	106	23.82	Includes manager, no CPS.
Grand Junction, Colo.	152	152	198	133	8.5	33	2	153	147	176	17	110	20	134	23.59	Lay manager, no CPS.
Clarksburg, W. Va....	200	200	254	170	10	45	2	142	134	292	98	135	30	99	23.51	Includes manager, no CPS.
Iron Mountain, Mich.	250	185	261	176	8	42	1	199	164	175	28	125	23	130	25.03	Do.
Manchester, N. H.....	150	132	244	135	11	36	1	140	110	249	100	106	21	103	25.71	Includes manager and CPS.

Professional personnel: Supplement VA statistical summary, monthly report, March 1953, pp. 144-147.
Workload: For January 1953 with exception of Grand Island and Grand Junction, which is for March 1953.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. PHILLIPS].

Mr. PHILLIPS. Mr. Chairman, I hope that the Members of the House will listen very carefully. We are approaching the same sort of a parliamentary problem which we met at the very first amendment.

I want to say right now that if I were to offer my amendment, much as I would like to offer it, and much as I think it might be desirable, I would add to the confusion to the extent that we would probably still be arguing here at 7:30. So I am not going to offer the amendment which I said I would offer.

We have, therefore, before us two amendments; the Adair amendment which strikes out the entire paragraph and the Van Zandt amendment which strikes out the words after the semi-

colon in line 23. Now I want to make sure what happens when we vote "yes" or "no" on either one, and for that reason I make that parliamentary inquiry of the chairman.

Mr. Chairman, the Van Zandt amendment will be voted upon first.

The CHAIRMAN. That is correct.

Mr. PHILLIPS. Then if we vote favorably on the Van Zandt amendment, the language beginning on line 23 with the semicolon to the end of line 5, on page 20, will be stricken out.

The CHAIRMAN. That is correct.

Mr. PHILLIPS. May I clarify that? Did the Van Zandt amendment end with the semicolon on line 2 or with the period on line 5?

The CHAIRMAN. With the period on line 5.

Mr. PHILLIPS. The Van Zandt amendment takes out all the language

to the period on line 5. Of course, if we do not adopt the Van Zandt amendment, then the vote comes on the Adair amendment which strikes out the entire paragraph, but if we adopt the Van Zandt amendment, Mr. Chairman, do we vote "yes" on the Adair amendment in order to put the terms of the Van Zandt amendment into effect, or would the Adair amendment strike out the entire paragraph no matter what the Van Zandt amendment did to it? There are a great many people in this House and also people outside of this House who have been sending us letters who feel very strongly that they do not want the first 6½ lines stricken, and I want to get clear in my mind what the situation is. If we adopt the Van Zandt amendment, how do we vote upon the Adair amendment in order to leave the first 6½ lines in the bill?

The CHAIRMAN. The Chair believes that under the circumstances the Van Zandt amendment should be treated as an amendment to the text and voted on first. If the Van Zandt amendment is adopted, it removes from the bill the text referred to therein and the next vote would be on the Adair amendment.

Mr. PHILLIPS. Then, in simple language, if I as one Member of the House wished to take out the last lines beginning with the semicolon in line 23 and to leave in the first 6½ lines beginning at line 17 and going down to that semicolon, I should vote "yes" on the Van Zandt amendment and "no" on the Adair amendment?

The CHAIRMAN. The gentleman is correct.

Without objection, the Clerk will again read the Van Zandt amendment.

The Clerk read as follows:

Amendment offered by Mr. VAN ZANDT as a perfecting amendment to the text: On page 19, line 23, after the semicolon strike out the remainder of the line, also lines 24 and 25, and line 1 up to and including line 5 on page 20.

The CHAIRMAN. The Chair recognizes the gentleman from Texas [Mr. THOMAS].

Mr. THOMAS. Mr. Chairman, the language of the committee does three things. The first thing it does is this. It repeals the existing law which states that when a non-service-connected veteran makes an affidavit that he cannot pay his hospital bill, even though he is worth a million dollars, you cannot go behind his affidavit. That is the law—even though he is worth a million dollars. This language of the committee, first, repeals that.

No. 2: It tells the Veterans' Administration, "You shall collect from non-service-connected veterans whatever sum they are able to pay."

No. 3: If a non-service-connected veteran is not able to pay one penny he still is given a bed and treatment if that bed is available.

The American Medical Association wired us all. What did they want? They said this language was opening the door to socialized medicine. What in the world has been going on for 20 years if it is not socialized medicine, when a non-service-connected veteran who is able to pay is admitted to a hospital for 1 day or 3 or 5 months for exactly nothing? So the AMA, as much as we admire and respect them, have certainly crossed up their own wires.

The language says that if you are able to pay \$2 and the bill is \$20, pay the \$2. This language is going to save the American taxpayers, in my judgment, at least 12 to 15 percent of the total hospital bill. I do not think there is any escape from it. Does that make sense? If he is able to pay \$1, let him pay it. If he is able to pay \$5, let him pay it. What is wrong with that? And if he is not able to pay a dime, I am in favor of letting him go there, and that last proviso was written on that basis. What is wrong with that? Is that not good sense? And they talk about the great Veterans' Administration with that little, small staff of 170,000 employees, and that they cannot

make the rules and regulations to figure out whether a man can pay or not. They have made regulations by the thousands for the last 20 years, and you know it and I know it. If they are not capable of making a reasonable regulation, let us get rid of them and get some people who can. That is common horse sense, is it not? Is there anything difficult about that? Of course not. Let us not make a mountain out of a mole hill.

Mr. Chairman, let us go back to the two amendments. The so-called Adair amendment says let us repeal all; and if you are going to touch the language, the sensible thing to do is to adopt his amendment and strike it all out, lock, stock, and barrel, and leave it just as it is today. That is what I am going to do. If you are going to change it at all, just take it all out, lock, stock, and barrel.

The Van Zandt amendment is sort of a cross between the two. It says to do away with the affidavit protection and make them sign an oath and an affidavit; but if they have something, then let them pay. Let them pay what? The \$20. Well, you know and I know that no man with an income of less than \$7,000 or \$8,000 a year can afford to pay \$20.35 a day for hospitalization. That is what it is going to cost him in a G. M. and S. hospital. Is that what you want? Maybe he can scrape the money up without hurting himself too much, if he had to pay \$2 or \$3 a day, and I think he would retain his own self-respect a great deal more if you let him pay what he is able to pay instead of staying there 3 or 4 weeks for free. I think he would stay there only 7 or 8 days perhaps. Gentlemen, the hour is late. You know what the issues are. Your committee is not trying to harm anybody. We are not trying to assume any jurisdiction which normally the committee does not have. This great legislative committee is fine. I hope sometime—they have only had about 20 years to look into this matter—I hope sometime they get around to it. As much as I love them, and they are all my friends, but if 20 years is not long enough, I am sure if you give them a few more years they will do it. If you touch this language, my advice to you is to knock it all out and give that committee another opportunity, and maybe in another 2 or 3 years they will get around to it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania [Mr. VAN ZANDT].

The question was taken; and on a division (demanded by Mr. ADAIR) there were—ayes 122, noes 80.

So the amendment was agreed to.

The CHAIRMAN. The question is now on the amendment offered by the gentleman from Indiana [Mr. ADAIR].

The question was taken; and on a division (demanded by Mr. ADAIR) there were—ayes 99, noes 109.

Mr. ADAIR. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chair appointed as tellers Mr. PHILLIPS and Mr. ADAIR.

The Committee again divided; and the tellers reported that there were—ayes 105, noes 117.

So the amendment was rejected.

The CHAIRMAN. Are there any further amendments? If not, under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. BETTS, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 5690) making appropriations for additional independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1954, and for other purposes, pursuant to House Resolution 285, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gross.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

Mr. SECREST. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. SECREST. I am in its present form, Mr. Speaker.

The SPEAKER. Does any Member who is absolutely opposed to the bill desire to offer a motion to recommit? If not, the gentleman qualifies, and the Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. SECREST moves to recommit the bill to the Committee on Appropriations with instructions to report the bill back forthwith by striking out the language starting on line 17, page 19, and up to and including the colon following the word "statement" on line 23 of page 19.

The SPEAKER. Without objection, the previous question is ordered.

There was no objection.

Mr. HALLECK. Mr. Speaker, in view of the understanding with the leadership on the minority side, I ask unanimous consent that further proceedings in connection with this bill go over until tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

LEGISLATIVE AND JUDICIARY APPROPRIATION BILL, 1954

Mr. HORAN, from the Committee on Appropriations, reported the bill (H. R. 5805) making appropriations for the legislative branch and the judiciary branch for the fiscal year ending June 30, 1954, and for other purposes (Rept. No. 598), which was read a first and second time, and, with the accompanying papers, referred to the Committee of the Whole House on the State of the Union and ordered to be printed.

14. D. S. S.

15. D. S. S.

16. D. S. S.

17. D. S. S.

18. D. S. S.

19. D. S. S.

83^d CONGRESS
1ST SESSION

H. R. 5690

IN THE SENATE OF THE UNITED STATES

JUNE 18 (legislative day, JUNE 8), 1953

Read twice and referred to the Committee on Appropriations

AN ACT

Making appropriations for additional independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1954, and for other purposes.

- 1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That the following sums are appropriated, out of any money
4 in the Treasury not otherwise appropriated, for sundry
5 independent executive bureaus, boards, commissions, cor-
6 porations, agencies, and offices, for the fiscal year ending
7 June 30, 1954, namely:

1 ATOMIC ENERGY COMMISSION

2 Operating expenses: For necessary operating expenses
3 of the Commission in carrying out the purposes of the
4 Atomic Energy Act of 1946, including the employment of
5 aliens; services authorized by section 15 of the Act of August
6 2, 1946 (5 U. S. C. 55a) ; maintenance and operation of
7 aircraft; publication and dissemination of atomic informa-
8 tion; purchase, repair, and cleaning of uniforms; purchase
9 of newspapers and periodicals (not to exceed \$5,000) ; official
10 entertainment expenses (not to exceed \$5,000) ; not to
11 exceed \$2,389,130 for expenses of travel; reimbursement
12 of the General Services Administration for security guard
13 services; not to exceed \$27,352,000 for program direction
14 and administration personnel; and hire of passenger motor
15 vehicles; \$891,781,000, together with the unexpended
16 balances, as of June 30, 1953, of prior year appropriations
17 made available under this head to the Atomic Energy Com-
18 mission: *Provided*, That of such amounts \$100,000 may be
19 expended for objects of a confidential nature and in any
20 such case the certificate of the Commission as to the amount
21 of the expenditure and that it is deemed inadvisable to specify
22 the nature thereof shall be deemed a sufficient voucher for
23 the sum therein expressed to have been expended: *Provided*
24 *further*, That from this appropriation transfers of sums may

1 be made to other agencies of the Government for the per-
2 formance of the work for which this appropriation is made,
3 and in such cases the sums so transferred may be merged
4 with the appropriation to which transferred: *Provided*
5 *further*, That no part of this appropriation shall be used
6 to pay the salary of any officer or employee (except such
7 officers and employees whose compensation is fixed by law,
8 and scientific and technical personnel) whose position would
9 be subject to the Classification Act of 1949, as amended,
10 if such Act were applicable to such position, at a rate in
11 excess of the rate payable under such Act for positions of
12 equivalent difficulty or responsibility: *Provided further*,
13 That no part of this appropriation shall be used in connec-
14 tion with the payment of a fixed fee to any contractor or
15 firm of contractors engaged under a cost-plus-a-fixed-fee
16 contract or contracts at any installation of the Commission,
17 where that fee for community management is at a rate in
18 excess of \$90,000 per annum, or for the operation of a
19 transportation system where that fee is at a rate in excess
20 of \$45,000 per annum.

21 Plant and equipment: For expenses of the Commission
22 in connection with the purchase and construction of plant
23 and the acquisition of equipment and other expenses inci-
24 dental thereto necessary in carrying out the purposes of the

1 Atomic Energy Act of 1946, including purchase of land and
2 interests in land; purchase of aircraft; and hire of passenger
3 motor vehicles; \$166,000,000, to remain available until ex-
4 pended: *Provided*, That the unexpended balances of prior
5 year appropriations made available under this head shall be
6 merged with this appropriation: *Provided further*, That in
7 addition to funds allocated for research and development for
8 a reactor which will advance technology towards both ship
9 propulsion and the generation of industrial power and for
10 design of such atomic power reactor, the Commission may
11 expend from funds provided under this head such sum as
12 may be necessary, not to exceed \$7,000,000, for beginning
13 of construction of such reactor, without regard to any other
14 provision of this Act: *Provided further*, That funds ap-
15 propriated under this head may, whenever the Commission
16 determines a need exists, be used for the construction
17 of particle accelerators without regard to any other provision
18 of this Act: *Provided further*, That no part of the foregoing
19 appropriation shall be available for the construction of any
20 office building, residence, warehouse or similar structure,
21 utility, or other specific portion or unit of a project, unless
22 funds are available for the completion of such building,
23 utility, or other specific portion or unit of such project. The
24 foregoing proviso shall not be construed to prevent the pur-
25 chase of land for any project, the construction of any new

1 building or procurement of any machinery, equipment or
2 materials therefor, nor any utility nor any portion or unit
3 of a specific project if the funds are available to pay the cost
4 of such land, the cost of such building, machinery, equip-
5 ment or materials, or the cost of such utility or the cost of
6 any such specific portion or unit of such project: *Provided*
7 *further*, That no part of this appropriation shall be used—

8 (A) to start any new construction project for which
9 an estimate was not included in the budget for the cur-
10 rent fiscal year; and

11 (B) to start any new construction project the cur-
12 rently estimated cost of which exceeds by thirty-five per
13 centum the estimated cost included therefor in such
14 budget.

15 No part of the appropriations herein made to the Atomic
16 Energy Commission shall be available for payments under
17 any contract hereafter negotiated without advertising by the
18 Commission, except contracts with any foreign government
19 or any agency thereof and contracts for source material with
20 foreign producers, unless such contract includes a clause
21 to the effect that the Comptroller General of the United
22 States or any of his duly authorized representatives shall
23 until the expiration of three years after final payment have
24 access to and the right to examine any directly pertinent
25 books, documents, papers, and records of the contractor or

1 any of his subcontractors engaged in the performance of and
2 involving transactions related to such contracts or subcon-
3 tracts: *Provided*, That no part of such appropriations shall
4 be available for payments under any such contract which
5 includes any provision precluding an audit by the General
6 Accounting Office of any transaction under such contract.

7 Any appropriation available under this Act or hereto-
8 fore made to the Atomic Energy Commission may initially
9 be used during the fiscal year 1954 to finance the procure-
10 ment of materials, services, or other costs which are a
11 part of work or activities for which funds have been pro-
12 vided in any other appropriation available to the Com-
13 mission: *Provided*, That appropriate transfers or adjustments
14 between such appropriations shall subsequently be made for
15 such costs on the basis of actual application determined in
16 accordance with generally accepted accounting principles.

17 No part of any appropriation herein made to the Atomic
18 Energy Commission shall be used to confer a fellowship
19 on any person who advocates or who is a member of an
20 organization or party that advocates the overthrow of the
21 Government of the United States by force or violence or with
22 respect to whom the Commission finds, upon investigation
23 and report by the Civil Service Commission on the character,
24 associations, and loyalty of whom, that reasonable grounds

1 exist for belief that such person is disloyal to the Government
2 of the United States: *Provided*, That any person who advo-
3 cates or who is a member of an organization or party that
4 advocates the overthrow of the Government of the United
5 States by force or violence and accepts employment or a
6 fellowship the salary, wages, stipend, grant, or expenses for
7 which are paid from any appropriation contained herein
8 shall be guilty of a felony and, upon conviction, shall be
9 fined not more than \$1,000 or imprisoned for not more than
10 one year, or both: *Provided further*, That the above penal
11 clause shall be in addition to, and not in substitution for, any
12 other provisions of existing law.

13 SELECTIVE SERVICE SYSTEM

14 SALARIES AND EXPENSES

15 For expenses necessary for the operation and mainte-
16 nance of the Selective Service System, as authorized by title
17 I of the Universal Military Training and Service Act (62
18 Stat. 604), as amended, including services as authorized by
19 section 15 of the Act of August 2, 1946 (5 U. S. C. 55a) ;
20 not to exceed \$250 for the purchase of newspapers and pe-
21 riodicals; not to exceed \$80,000 for expenses of travel, Na-
22 tional Administration, Planning, Training, and Records Man-
23 agement; not to exceed \$200,000 for expenses of travel,
24 State Administration, Planning, Training, and Records Serv-

1 icing; \$92,500 for the National Selective Service Appeal
2 Board, of which not to exceed \$3,875 shall be available for
3 expenses of travel; and \$265,000 for the National Advisory
4 Committee on the Selection of Doctors, Dentists, and Allied
5 Specialists, of which not to exceed \$35,000 shall be avail-
6 able for expenses of travel; \$29,882,400: *Provided*, That
7 during the current fiscal year, the President may exempt
8 this appropriation from the provisions of subsection (c) of
9 section 3679 of the Revised Statutes, as amended, whenever
10 he deems such action to be necessary in the interest of
11 national defense.

12 Appropriations for the Selective Service System may be
13 used for the destruction of records accumulated under the
14 Selective Training and Service Act of 1940, as amended,
15 which are hereby authorized to be destroyed by the Director
16 of Selective Service after compliance with the procedures for
17 the destruction of records prescribed pursuant to the Records
18 Disposal Act of 1943, as amended (44 U. S. C. 366-380) :
19 *Provided*, That no records may be transferred to any other
20 agency without the approval of the Director of Selective
21 Service.

22 TENNESSEE VALLEY AUTHORITY

23 For the purpose of carrying out the provisions of the
24 Tennessee Valley Authority Act of 1933, as amended (16

1 U. S. C., ch. 12A), including purchase (not to exceed one)
2 and hire, maintenance, and operation of aircraft, and hire of
3 passenger motor vehicles, \$188,371,000, to remain available
4 until expended, and to be available for the payment of obliga-
5 tions chargeable against prior appropriations: *Provided*, That
6 no funds appropriated for the Tennessee Valley Authority by
7 this paragraph shall be used for the maintenance or operation
8 of any aircraft for passenger service that is not specifically
9 confined to the active operation of the official business of the
10 Tennessee Valley Authority by officers or employees of such
11 Authority, and not to exceed \$773,000 (exclusive of travel
12 for work in connection with the construction of transmission
13 lines, dams, and steam plants) of funds available to the
14 Tennessee Valley Authority shall be used for expenses of
15 travel: *Provided further*, That no part of funds available for
16 expenditure by this agency shall be used, directly or in-
17 directly, to acquire a building for use as an administrative
18 office of the Tennessee Valley Authority so long as the
19 amount appropriated annually for the construction of power
20 facilities exceeds the amount deposited annually in the Treas-
21 ury for repayment of the investment of the Federal Govern-
22 ment in the power facilities of the Authority: *Provided*
23 *further*, That no funds available for expenditure by this
24 agency shall be used for the payment of the salary of any

1 employee in the District of Columbia at a rate in excess of
2 \$8,000 per annum.

3 REDUCTION IN APPROPRIATION

4 The sum of \$66,000 heretofore appropriated for con-
5 struction of a combination fertilizer facility is hereby carried
6 to the surplus fund and covered into the Treasury immediately
7 upon the approval of this Act.

8 VETERANS ADMINISTRATION

9 General operating expenses: For necessary operating
10 expenses of the Veterans Administration, not otherwise
11 provided for, including expenses incidental to securing em-
12 ployment for war veterans; not to exceed \$6,000 for news-
13 papers and periodicals; not to exceed \$2,675,720 for ex-
14 penses of travel of employees; and not to exceed \$43,700
15 for preparation, shipment, installation, and display of exhibits,
16 photographic displays, moving pictures, and other visual
17 educational information and descriptive material, including
18 purchase or rental of equipment; \$193,531,000: *Provided*,
19 That no part of this appropriation shall be used to pay in
20 excess of twenty-six persons engaged in public relations
21 work: *Provided further*, That between September 1, 1953,
22 and June 30, 1954, no part of any appropriation shall be
23 used to pay to educational institutions for reports and certifi-
24 cations of attendance at such institutions covering attendance
25 on or after September 1953 an allowance at a rate in ex-

1 cess of \$1 per month for each eligible veteran enrolled in
2 and attending such institution.

3 Medical administration and miscellaneous operating
4 expenses: For expenses necessary for administration of the
5 medical, hospital, domiciliary, special service, construction
6 and supply, research, and employee education and training
7 activities; expenses necessary for carrying out programs of
8 medical research and of education and training of employees,
9 as authorized by law; repairs, alterations, and improvements
10 of facilities for regional offices and supply depots, as author-
11 ized by law; and not to exceed \$753,800 for expenses of
12 travel of employees paid from this appropriation;
13 \$14,870,400.

14 Maintenance and operation of hospitals: For expenses
15 necessary for maintenance and operation of hospitals, includ-
16 ing the furnishing of recreational articles and facilities; not
17 to exceed \$270,000 for expenses of travel of employees;
18 and maintenance and operation of farms; \$555,000,000, in-
19 cluding the sum of \$7,000,000 for reimbursable services per-
20 formed for other government agencies and individuals: *Pro-*
21 *vided*, That the foregoing appropriation is predicated on the
22 staffing and operation of 114,315 beds during the fiscal year
23 1954, and if a lesser number is provided such appropriation
24 shall be expended only in proportion to the number of beds
25 staffed and operated.

1 Contract hospitalization: For care and treatment of
2 beneficiaries of the Veterans Administration in facilities
3 not under the jurisdiction of the Veterans Administration,
4 as authorized by law, \$20,583,100: *Provided*, That allot-
5 ments and transfers may be made from this appropriation to
6 the Department of Health, Education, and Welfare (Public
7 Health Service), the Army, Navy, Air Force, and Interior
8 Departments, for disbursement by them under the various
9 headings of their applicable appropriations, of such amounts
10 as are necessary for the care and treatment of beneficiaries
11 of the Veterans Administration.

12 Maintenance and operation of domiciliary facilities:
13 For expenses necessary for the maintenance and operation
14 of domiciliary facilities, including recreational articles and
15 facilities, and not to exceed \$3,200 for expenses of travel
16 of employees; and aid to State or Territorial homes in con-
17 formity with the Act approved August 27, 1888, as amended
18 (24 U. S. C. 134), for the support of veterans eligible for
19 admission to Veterans Administration facilities for hospital
20 or domiciliary care; \$24,248,200.

21 Out-patient care: For expenses necessary for furnish-
22 ing out-patient care to beneficiaries of the Veterans Ad-
23 ministration, as authorized by law, including not to exceed
24 \$190,140 for expenses of travel of employees; \$92,677,900,
25 of which not exceeding \$23,000,000 shall be available for

1 out-patient dental care: *Provided*, That no part of this
2 appropriation shall be available for out-patient dental serv-
3 ices and treatment, or related dental appliances with respect
4 to a service-connected dental disability which is not com-
5 pensable in degree unless such condition or disability is
6 shown to have been in existence at time of discharge
7 and application for treatment is made within two years after
8 separation from active service, or one year after enactment
9 of this Act, whichever is later: *Provided*, That this limita-
10 tion shall not apply to adjunct out-patient dental services or
11 appliances for any dental condition associated with and held
12 to be aggravating disability from some other service incurred
13 or service aggravated injury or disease.

14 Maintenance and operation of supply depots: For ex-
15 penses necessary for maintenance and operation of supply
16 depots, including not to exceed \$13,000 for expenses of
17 travel of employees, \$1,800,000.

18 Compensation and pensions: For the payment of com-
19 pensation, pensions, gratuities, and allowances (including
20 subsistence allowances authorized by part VII of Veterans
21 Regulation 1a, as amended), authorized under any Act of
22 Congress, or regulation of the President based thereon,
23 including emergency officers' retirement pay and annuities,
24 the administration of which is now or may hereafter be
25 placed in the Veterans Administration, and for the payment

1 of adjusted-service credits as provided in sections 401 and
2 601 of the Act of May 19, 1924, as amended (38 U. S. C.
3 631 and 661), \$2,246,291,000, to be immediately avail-
4 able and to remain available until expended.

5 Readjustment benefits: For the payment of benefits to
6 or on behalf of veterans as authorized by titles II, III, and
7 V, of the Servicemen's Readjustment Act of 1944, as
8 amended, and title II of the Veterans Readjustment Assist-
9 ance Act of 1952, \$664,311,000, to be immediately avail-
10 able and to remain available until expended: *Provided*,
11 That from September 1, 1953, to June 30, 1954, no part of
12 any appropriation to the Veterans Administration shall be
13 available, in connection with any loan authorized by title
14 III of the Servicemen's Readjustment Act of 1944, as
15 amended (38 U. S. C. 694-694n), for payment to the
16 lender by the Administrator of Veterans Affairs, or for
17 credit on the loan, of an amount equivalent to 4 per centum
18 of the amount originally loaned, guaranteed or insured by
19 the Veterans Administration: *Provided further*, That no right
20 to any such payment shall accrue during this period, but
21 the foregoing proviso shall not apply with respect to pay-
22 ments based on guarantees made, or certificates of commit-
23 ments issued, prior to said date.

24 Military and naval insurance: For military and naval
25 insurance, \$1,496,000, to remain available until expended.

1 Hospital and domiciliary facilities: For hospital and
2 domiciliary facilities, for extending, with the approval of
3 the President, any of the facilities under the jurisdiction of
4 the Veterans Administration or for any of the purposes
5 set forth in sections 1 and 2 of the Act approved March 4,
6 1931 (38 U. S. C. 438j-k) or in section 101 of the
7 Servicemen's Readjustment Act of 1944 (38 U. S. C.
8 693a), to remain available until expended, \$48,867,000:
9 *Provided*, That no part of the foregoing appropriation shall
10 be used to commence any major alteration, improvement, or
11 repair unless funds are available for the completion of such
12 work; and no funds shall be used for such work at any facility
13 if the Veterans Administration is reasonably certain that the
14 installation will be abandoned in the near future: *Provided*
15 *further*, That not to exceed 5.5 per centum of the amounts
16 available under this head shall be available for the employ-
17 ment of all necessary technical and clerical personnel for the
18 preparation of plans and specifications for the projects as
19 approved hereunder and in the supervision of the execution
20 thereof, and for all travel expenses, field office equipment,
21 and supplies in connection therewith, except that whenever
22 the Veterans Administration finds it necessary in the con-
23 struction of any project to employ other Government agencies
24 or persons outside the Federal service to perform such serv-

1 ices not to exceed 9 per centum of the cost of such projects
2 may be expended for such services.

3 Hospital and domiciliary facilities (liquidation of con-
4 tract authorization) : For payment of obligations heretofore
5 authorized to be incurred under this head, \$21,185,664, to
6 remain available until expended.

7 National service life insurance: For the payment of
8 benefits and for transfer to the national service life insurance
9 fund, in accordance with the National Service Life Insurance
10 Act of 1940, as amended, \$75,000,000, to remain available
11 until expended: *Provided*, That certain premiums shall be
12 credited to this appropriation as provided by the Act.

13 Servicemen's indemnities: For payment of liabilities
14 under the Servicemen's Indemnity Act of 1951, \$18,000,-
15 000, to remain available until expended.

16 Veterans miscellaneous benefits: For the payment of
17 burial awards authorized by Veterans Administration Regu-
18 lation Numbered 9 (a), as amended, and for supplies, equip-
19 ment, and tuition authorized by part VII and payments
20 authorized by part IX of Veterans Administration Regula-
21 tion Numbered 1 (a), as amended, \$35,743,000, to remain
22 available until expended.

23 Grants to the Republic of the Philippines: For payment
24 to the Republic of the Philippines of grants in accordance
25 with the Act of July 1, 1948 (50 U. S. C. App. 1991-

1 1996), for expenses incident to medical care and treatment
2 of veterans, \$1,731,000, and in addition thereto not exceed-
3 ing \$769,000 of the unobligated balance for this purpose for
4 the fiscal year 1953.

5 Supply fund: For establishment of a revolving supply
6 fund effective July 1, 1953, to be available without fiscal
7 year limitation for all expenses necessary for the operation
8 and maintenance of a supply system for the Veterans Ad-
9 ministration including procurement of supplies and equip-
10 ment, and personal services, the Administrator is authorized
11 to capitalize, at fair and reasonable values as determined by
12 him, all supplies and materials and depot stocks of equip-
13 ment on hand or on order: *Provided*, That the fund shall be
14 (1) reimbursed for the cost of all services, equipment and
15 supplies furnished appropriations at rates determined by the
16 Administrator on the basis of estimated or actual direct and
17 indirect cost; (2) credited with advances from appropria-
18 tions to which services or supplies are to be furnished, and
19 all other receipts resulting from the operation of the fund in-
20 cluding the proceeds of disposal of scrap, excess or surplus
21 personal property of the fund, and receipts from carriers and
22 others for loss of or damage to personal property: *Provided*
23 *further*, That following the close of each fiscal year any net
24 income after making provision for prior losses, if any, shall
25 be covered into the Treasury of the United States as mis-

1 cellaneous receipts: *Provided further*, That an adequate sys-
2 tem of accounts for the fund shall be maintained on the
3 accrual method and financial reports prepared on the basis
4 of such accounts, and that an annual business type budget
5 shall be prepared for the operations under this fund.

6 Not to exceed 5 per centum of any appropriation for the
7 current fiscal year for "Compensation and pensions", "Re-
8 adjustment benefits", "Military and naval insurance", "Na-
9 tional service life insurance", and "Servicemen's indemni-
10 ties", may be transferred, to any other of the mentioned
11 appropriations.

12 Appropriations available to the Veterans Administra-
13 tion for the current fiscal year for salaries and expenses
14 shall be available for services as authorized by section 15
15 of the Act of August 2, 1946 (5 U. S. C. 55a).

16 Appropriations available to the Veterans Administra-
17 tion for the current fiscal year for "Maintenance and opera-
18 tion of hospitals", "Maintenance and operation of domiciliary
19 facilities", and "Out-patient care", shall be available for fu-
20 neral, burial, and other expenses incidental thereto (except
21 burial awards authorized by Veterans Administration Regu-
22 lation Numbered 9 (a), as amended), for beneficiaries of
23 the Veterans Administration receiving care under such
24 appropriations.

25 No part of the appropriations in this Act for the Vet-

1 erans Administration (except the appropriation for "Hos-
2 pital and domiciliary facilities") shall be available for the
3 purchase of any site for or toward the construction of any
4 new hospital or home.

5 Appropriations in this Act for the Veterans Adminis-
6 tration for "Maintenance and operation of hospitals" and
7 "Maintenance and operation of domiciliary facilities" may
8 be used to repair, alter, improve, or provide facilities in the
9 several hospitals and homes under the jurisdiction of the
10 Veterans Administration, not otherwise provided for, either
11 by contract, or by the hire of temporary employees and the
12 purchase of materials.

13 No part of the foregoing appropriations shall be avail-
14 able for hospitalization or examination of any persons except
15 beneficiaries entitled under the laws bestowing such benefits
16 to veterans, unless reimbursement of cost is made to the ap-
17 propriation at such rates as may be fixed by the Administra-
18 tor of Veterans Affairs.

19 The Administrator of Veterans Affairs is hereby author-
20 ized, in his discretion, to activate and operate at reasonable
21 standards throughout the fiscal year 1954 those beds which
22 are needed and which can be staffed, in the following
23 categories: (a) all beds in Veterans Administration hos-
24 pital and domiciliary facilities and all contract beds that were
25 in use during the fiscal year 1953, except those replaced or

1 to be replaced by new construction, (b) all beds in Veterans
2 Administration hospital and domiciliary facilities and all con-
3 tract beds that were closed during the fiscal year 1953, except
4 those replaced or to be replaced by new construction, and
5 (c) all beds in Veterans Administration hospital and domi-
6 ciliary facilities constructed in the fiscal years 1953 and 1954;
7 provided, that the qualified personnel required for the stand-
8 ard operation and maintenance of such beds can be obtained.

9 GENERAL PROVISIONS

10 SEC. 102. The general provisions applicable to appro-
11 priations contained in title I of the "First Independent Offices
12 Appropriation Act, 1954", shall apply to appropriations
13 contained in this Act, excepting the Tennessee Valley
14 Authority: *Provided*, That the provisions of Section 102
15 of such Act shall not apply to travel performed by members
16 of local draft boards of the Selective Service System.

17 SEC. 103. No part of any appropriation contained
18 in this Act, or of the funds available for expenditure by any
19 corporation included in this Act, shall be used to pay the
20 salary or wages of any person who engages in a strike
21 against the Government of the United States or who is a
22 member of an organization of Government employees that
23 asserts the right to strike against the Government of the
24 United States, or who advocates, or is a member of an
25 organization that advocates, the overthrow of the Govern-

1 ment of the United States by force or violence: *Provided*,
2 That for the purposes hereof an affidavit shall be considered
3 prima facie evidence that the person making the affidavit
4 has not contrary to the provisions of this section engaged in
5 a strike against the Government of the United States, is
6 not a member of an organization of Government employees
7 that asserts the right to strike against the Government of the
8 United States, or that such person does not advocate, and is
9 not a member of an organization that advocates, the over-
10 throw of the Government of the United States by force or
11 violence: *Provided further*, That any person who engages
12 in a strike against the Government of the United States
13 or who is a member of an organization of Government
14 employees that asserts the right to strike against the Govern-
15 ment of the United States, or who advocates, or who is a
16 member of an organization that advocates, the overthrow
17 of the Government of the United States by force or violence
18 and accepts employment the salary or wages for which are
19 paid from any appropriation or fund contained in this Act
20 shall be guilty of a felony and, upon conviction, shall be
21 fined not more than \$1,000 or imprisoned for not more than
22 one year, or both: *Provided further*, That the above penalty
23 clause shall be in addition to, and not in substitution for, any
24 other provisions of existing law.

1 SEC. 104. No part of any appropriation contained in
2 this Act, or of the funds available for expenditure by any
3 corporation or agency included in this Act, shall be used
4 for publicity or propaganda purposes designed to support
5 or defeat legislation pending before the Congress.

6 SEC. 105. (a) No part of the money appropriated by
7 this Act to any department, agency, or corporation or
8 available for expenditure by any department, agency, or
9 corporation which is in excess of 75 per centum of the
10 amount required to pay the compensation of all persons
11 the budget estimates for personal services heretofore sub-
12 mitted to the Congress for the fiscal year 1954 contemplated
13 would be employed by such department, agency, or
14 corporation during such fiscal year in the performance of—

15 (1) functions performed by a person designated as
16 an information specialist, information and editorial
17 specialist, publications and information coordinator, press
18 relations officer or counsel, photographer, radio expert,
19 television expert, motion picture expert, or publicity ex-
20 pert, or designated by any similar title, or

21 (2) functions performed by persons who assist
22 persons performing the functions described in (1) in
23 drafting, preparing, editing, typing, duplicating, or dis-
24 seminating public information publications or releases,

1 radio or television scripts, magazine articles, photo-
2 graphs, motion pictures, and similar material,
3 shall be available to pay the compensation of persons per-
4 forming the functions described in (1) or (2).

5 SEC. 106. This Act may be cited as the "Second In-
6 dependent Offices Appropriation Act, 1954".

Passed the House of Representatives June 18, 1953.

Attest:

LYLE O. SNADER,

Clerk.

AN ACT

Making appropriations for additional independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1954, and for other purposes.

JUNE 18 (legislative day, JUNE 8), 1953

Read twice and referred to the Committee on
Appropriations

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued June 19, 1953
For actions of June 18, 1953
83rd-1st, No. 111

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HIGHLIGHTS: Senate debated conference report on economic controls bill. Senate completed final congressional action on flammable fabrics bill. Senate committees reported mutual security and Interior appropriation bills. House passed 2nd independent offices appropriation bill. House debated mutual security bill.

HOUSE

1. APPROPRIATIONS. Passed, 394-2, with amendments H.R. 5690, the second independent offices appropriation bill for 1954 (pp. 7043-44).
2. FOREIGN AID. Concluded debate on H.R. 5710, the Mutual Security Agency authorization bill (pp. 7048-87). Rep. Chipenfield stated that reductions could be made in Point-4 by limiting its purpose to the sharing of technical skills (p. 7053).
Received an American Friends of the Middle East petition supporting the shipment of 1 million tons of wheat as a grant to Pakistan (p. 7093).
3. FLOOD CONTROL. Received reports on the Fryingpan-Arkansas project, Colo. (Interior Department), (H. Doc. 187), and on the feasibility of providing flood control protection on the Arkansas River at Enid, Okla. (H. Doc. 185), and on the Lower Mississippi at New Madrid, Missouri (H. Doc. 183) (p. 7092).

SENATE

4. ECONOMIC CONTROLS. Began debate on the conference report on S. 1081, providing for temporary economic controls, and agreed to vote on this report Mon., June 22 (pp. 6993-7005, 7008-16).
5. FLAMMABLE FABRICS. Passed without amendment H.R. 5069, to prohibit the introduction or movement in interstate commerce of articles of wearing apparel and fabrics which are so highly flammable as to be dangerous when worn (p. 6989). This bill will now be sent to the President.

6. MARGARINE. The Armed Services Committee reported without amendment S. 1806, to amend the Navy ration statute so as to authorize the serving of oleomargarine or margarine (S. Rept. 447) (p. 6974).
7. FOREIGN AID. The Armed Services Committee reported with amendments S. 2128, to continue the mutual security program for 1954 (S. Rept. 444) (p. 6974).
8. APPROPRIATIONS. The Appropriations Committee reported with amendments H.R. 4828, the Interior appropriation bill for 1954 (S. Rept. 445) (p. 6974).
9. PURCHASING. The Judiciary Committee reported with amendments S. 848, to prescribe policy and procedure in connection with construction contracts made by executive agencies (S. Rept. 448) (p. 6974).
10. SMALL BUSINESS; TAXATION. The Select Committee on Small Business submitted a report, "Tax Problems of Small Business" (S. Rept. 442) (pp. 6974-5).
11. PERSONNEL. Passed as reported S. 1684, to facilitate civil-service appointment of certain veterans (pp. 6990-1). This bill preserves and restores the eligibility for probational appointment of those who were on a civil-service register and eligible for probational appointment, and who lost opportunity for such appointment because of their service in the Armed Forces after June 30, 1950. It also provides that upon probational appointment, the veteran's rate of compensation, seniority rights, grade and time-in-grade, and within-grade step increases shall be based and determined as if he were appointed the date the lower ranking eligible was probationally appointed. It directs the CSC to place these veterans on an appropriate register with the same priority that is extended to World War II veterans. The veteran must have been discharged "under honorable conditions," be qualified for the duties of the position, and make application therefor within 90 days after his separation.

The Banking and Currency Committee reported with amendments S. 1458, to continue employee war-risk hazard and detention benefits until July 1, 1954 (p. 6974). The bill was then considered and passed over on Sen. Thye's objection (pp. 6991-92).
12. CREDIT UNION. Passed as reported S. 1665, to amend the Federal Credit Union Act (relating to payment of dividends to members) (p. 6985).
13. ELECTRIFICATION. Passed without amendment S. 2097, to increase the amount authorized to be appropriated for the construction of the Elkutna hydroelectric project, Alaska, from 20,365,400 to 33 million (pp. 6981-2).

Sen. Kefauver opposed the proposed execution of a contract between the Bonneville Power Admin. and private utility companies in the Northwest whereby power from the BPA would be distributed through nine companies, and inserted a statement opposing this contract from purchasers claiming 99% of all power purchases in this region (pp. 7033-9).
14. RESEARCH. Passed as reported S. 977, to amend the National Science Foundation Act to provide an "open-end" authorization (p. 6987).
15. HOUSING. Agreed to the committee amendments to S. 1993, to amend the National Housing Act and the Servicemen's Readjustment Act of 1944 with respect to maximum interest rates, and then passed over the bill (pp. 6982-83).
16. TREATIES. Agreed to a committee amendment in the nature of a substitute and then passed over S. J. Res. 1, proposing a constitutional amendment to limit the

So the motion to recommit was agreed to.

The Clerk announced the following pairs:

Mr. Bush with Mr. Dies.
Mr. McIntire with Mr. Morrison.
Mr. Martin of Iowa with Mr. Chatham.
Mr. Scherer with Mr. Fogarty.
Mr. Wolcott with Mr. Klein.
Mr. Clardy with Mrs. Kee.
Mr. Coudert with Mr. Kluczynski.
Mr. Gamble with Mr. Mack of Illinois.
Mr. Hoffman of Illinois with Mr. Moulder.
Mr. Westland with Mr. Walter.
Mr. Wigglesworth with Mr. Whitten.
Mr. Oakman with Mr. Dawson of Illinois.
Mr. O'Hara of Minnesota with Mr. Donovan.
Mr. Hale with Mr. Kilday.
Mr. Baker with Mr. Davis of Tennessee.

Mr. HARVEY changed his vote from "yea" to "nay."

Mr. PATTERSON, Mr. KEARNS, Mr. SIKES, Mr. HERLONG, and Mr. FRIEDEL changed their votes from "nay" to "yea."

The result of the vote was announced as above recorded.

The doors were opened.

Mr. PHILLIPS. Mr. Speaker, acting on the instructions of the House, and on behalf of the Committee on Appropriations, I report back to the House with an amendment the bill H. R. 5690.

The SPEAKER. The Clerk will report the amendment.

The Clerk read as follows:

Strike out the language starting in line 19 on page 19 up to and including the period following the word "statement" in line 25 on page 19.

The SPEAKER. The question is on the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

Mr. ADAIR and Mr. RAYBURN asked for the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 394, nays 2, not voting 34, as follows:

[Roll No. 56]

YEAS—394

Abbitt	Bennett, Fla.	Budge
Abernethy	Bennett, Mich.	Burdick
Adair	Bentley	Burleson
Addonizio	Bentsen	Busbey
Albert	Berry	Byrd
Alexander	Betts	Byrne, Pa.
Allen, Calif.	Bishop	Byrnes, Wis.
Allen, Ill.	Blatnik	Camp
Andersen,	Boggs	Campbell
H. Carl	Boland	Canfield
Andresen,	Bolton	Cannon
August H.	Frances P.	Carlyle
Andrews	Bolton,	Carnahan
Angell	Oliver P.	Carrigg
Arends	Bonin	Case
Ashmore	Bonner	Cederberg
Aspinall	Bosch	Celmer
Auchincloss	Bow	Chelf
Ayres	Boykin	Chenoweth
Bailey	Bramblett	Chiperfield
Baker	Bray	Chudoff
Barden	Brooks, La.	Church
Barrett	Brooks, Tex.	Clevenger
Bates	Brown, Ga.	Cole, Mo.
Battle	Brown, Ohio	Cole, N. Y.
Beamer	Brownson	Colmer
Becker	Broyhill	Condon
Belcher	Buchanan	Cooley
Bender	Buckley	Coon

Cooper	Hunter	Prouty
Corbett	Hyde	Rabaut
Cotton	Ikard	Radwan
Cretella	Jackson	Rains
Crosser	James	Ray
Crumpacker	Jarman	Rayburn
Cunningham	Javits	Reams
Curtis, Mass.	Jenkins	Reece, Tenn.
Curtis, Mo.	Jensen	Reed, Ill.
Curtis, Nebr.	Johnson	Reed, N. Y.
Dague	Jonas, Ill.	Rees, Kans.
Davis, Ga.	Jonas, N. C.	Regan
Dawson, Ill.	Jones, Ala.	Rhodes, Ariz.
Dawson, Utah	Jones, Mo.	Rhodes, Pa.
Deane	Jones, N. C.	Richards
Delaney	Judd	Riehlman
Dempsey	Karsten, Mo.	Riley
Derounian	Kearney	Rivers
Devereux	Kearns	Roberts
D'Ewart	Keating	Robeson, Va.
Dingell	Kelley, Pa.	Robson, Ky.
Dodd	Kelly, N. Y.	Rodino
Dollinger	Keogh	Rogers, Colo.
Dolliver	Kersten, Wis.	Rogers, Fla.
Dondero	Kilburn	Rogers, Mass.
Donohue	King, Calif.	Rogers, Tex.
Dorn, N. Y.	King, Pa.	Rooney
Dorn, S. C.	Kirwan	Roosevelt
Dowdy	Knox	Sadlak
Doyle	Krueger	St. George
Durham	Laird	Saylor
Eberharter	Landrum	Schenck
Edmondson	Lane	Scott
Elliott	Lanham	Scrivner
Elisworth	Lantaff	Scudder
Engle	Latham	Secrest
Evins	LeCompte	Seely-Brown
Fallon	Lesinski	Seiden
Feighan	Long	Shafer
Fenton	Lovre	Sheehan
Fernandez	Lucas	Shelley
Fine	Lyle	Sheppard
Fino	McCarthy	Short
Fisher	McConnell	Shuford
Forand	McCormack	Sieminski
Ford	McCulloch	Sikes
Forrester	McDonough	Simpson, Ill.
Fountain	McGregor	Simpson, Pa.
Frazier	McMillan	Small
Frelinghuysen	McVey	Smith, Kans.
Friedel	Machrowicz	Smith, Miss.
Fulton	Mack, Wash.	Smith, Va.
Garmatz	Madden	Smith, Wis.
Gary	Magnuson	Spence
Gathings	Mahon	Springer
Gavin	Mailliard	Staggers
Gentry	Matthews	Stauffer
George	Meador	Steed
Golden	Merrill	Stringfellow
Goodwin	Morrow	Sullivan
Gordon	Metcalf	Sutton
Graham	Miller, Calif.	Taber
Granahan	Miller, Kans.	Talle
Grant	Miller, Md.	Taylor
Green	Miller, Nebr.	Teague
Gregory	Miller, N. Y.	Thomas
Gross	Mills	Thompson, La.
Gubser	Molohan	Thompson, Mich.
Gwinn	Morano	Thompson, Tex.
Hagen, Calif.	Morgan	Thornberry
Hagen, Minn.	Moss	Tollefson
Haley	Muiter	Trimble
Halleck	Mumma	Utt
Hand	Murray	Van Pelt
Harden	Neai	Van Zandt
Hardy	Nelson	Velde
Harris	Nicholson	Vinson
Harrison, Nebr.	Norblad	Vorys
Harrison, Va.	Norrell	Vursell
Harrison, Wyo.	O'Brien, Ill.	Wainwright
Hart	O'Brien, Mich.	Wampler
Harvey	O'Brien, N. Y.	Warburton
Hays, Ark.	O'Konski	Watts
Hays, Ohio	O'Neil	Weichel
Hébert	Osmers	Wharton
Helier	Ostertag	Wheeler
Herlong	Passman	Whitten
Heselton	Patman	Wickersham
Hess	Patten	Widnall
Hiestand	Patterson	Wier
Hill	Pelly	Williams, Miss.
Hillelson	Perkins	Williams, N. Y.
Hillings	Pfost	Willis
Hinshaw	Philbin	Wilson, Calif.
Koehn	Phillips	Wilson, Ind.
Hoffman, Mich.	Pillion	Wilson, Tex.
Holifield	Poage	Withrow
Holmes	Poff	Wolverton
Holt	Polk	Yates
Holtzman	Powell	Yorty
Hope	Preston	Young
Horan	Price	Younger
Howell	Priest	Zablocki
Hruska		

NAYS—2

Davis, Wis. Mason

NOT VOTING—34

Boiling	Hosmer	O'Hara, Ill.
Bush	Kee	O'Hara, Minn.
Chatham	Kilday	Pilcher
Clardy	Klein	Scherer
Coudert	Kluczynski	Tuck
Davis, Tenn.	McIntire	Walter
Dies	Mack, Ill.	Westland
Donovan	Marshall	Wigglesworth
Fogarty	Martin, Iowa	Winstead
Gambie	Morrison	Wolcott
Hale	Moulder	
Hoffman, Ill.	Oakman	

So the bill was passed.

The Clerk announced the following pairs:

Mr. Hoffman of Illinois with Mr. Dies.
Mr. Bush with Mr. Morrison.
Mr. McIntire with Mr. Chatham.
Mr. Westland with Mr. Fogarty.
Mr. Hosmer with Mrs. Kee.
Mr. Clardy with Mr. Klein.
Mr. Hale with Mr. Kluczynski.
Mr. Oakman with Mr. Walter.
Mr. Wigglesworth with Mr. Winstead.
Mr. O'Hara of Minnesota with Mr. Mack of Illinois.
Mr. Martin of Iowa with Mr. Donovan.
Mr. Gamble with Mr. Bolling.
Mr. Scherer with Mr. Moulder.
Mr. Coudert with Mr. Pilcher.
Mr. Wolcott with Mr. Davis of Tennessee.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

SUBCOMMITTEE OF THE COMMITTEE ON INTERIOR AND INSULAR AFFAIRS

Mr. MILLER of Nebraska. Mr. Speaker, I ask unanimous consent that the subcommittee of the Committee on Interior and Insular Affairs may meet during general debate this afternoon at 2:30 p. m.

The SPEAKER. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

COMMITTEE ON THE DISTRICT OF COLUMBIA

Mr. SIMPSON of Illinois. Mr. Speaker, I ask unanimous consent that the Committee on the District of Columbia may have until midnight tomorrow night to file reports on certain bills.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

OPTIMISM

(Mr. VELDE asked and was given permission to extend his remarks at this point.)

Mr. VELDE. Mr. Speaker, I know it is rather difficult for any of us to be optimistic in these troubled days, but, because of the fact that the 35th annual convention of Optimist International is being held in Washington, D. C., at this time, and because there will be in attendance some 2,500 to 3,000 Optimists throughout the Western Hemisphere, including United States, Canada, Mexico,

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, its reading clerk, announced that the House had passed a bill (H. R. 5690) making appropriations for additional independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1954, and for other purposes, in which it requested the concurrence of the Senate.

HOUSE BILL REFERRED

The bill (H. R. 5690) making appropriations for additional independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1954, and for other purposes, was read twice by its title, and referred to the Committee on Appropriations.

TEMPORARY ECONOMIC CONTROLS—CONFERENCE REPORT

Mr. KNOWLAND. Mr. President, there is at the desk a privileged matter, which I ask the Chair to lay before the Senate.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield.

Mr. JOHNSON of Texas. I assume it is the intention of the majority leader to move that the Senate proceed to the consideration of the conference report on the controls bill?

Mr. KNOWLAND. The minority leader is correct.

Mr. JOHNSON of Texas. It is my understanding that the parliamentary situation is such that the motion is not subject to debate.

Mr. KNOWLAND. The Senator is correct. That is why I am now yielding to him, so that he may make the observations which I understood he desired to make.

Mr. JOHNSON of Texas. Does not the acting majority leader, the Senator from California, think that, in fairness, the minority should have an opportunity to explain what the legislative situation really is, before the Senate proceeds to vote? Would the acting majority leader object to a unanimous consent request that the minority leader might proceed for 5 minutes?

Mr. KNOWLAND. No. Although the motion is not debatable, I ask unanimous consent that the minority leader may proceed for 5 minutes, to state his position and that of the minority.

Mr. JOHNSON of Texas. I understand that the motion has not yet been made and that, parliamentarywise, I could proceed for 5 minutes on some bill on the calendar. However, if there is no objection to the request, I merely wish to point out what the situation is.

Mr. KNOWLAND. The reason why I did not make the motion is that I had been informed in advance that the distinguished minority leader, recognizing that the motion was not debatable, desired some time. He asked for 5 minutes. Had he asked for 10 I would have yielded to him, because we are trying to

cooperate. That was the reason why I did not press the motion at the time I suggested that the conference report be laid before the Senate.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

The Chief Clerk read the report.

(For text of conference report, see pp. 6901-6904 of House proceedings of CONGRESSIONAL RECORD for June 16, 1953.)

Mr. McCARRAN. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. Mr. President, has action been taken on the unanimous consent request?

The VICE PRESIDENT. Without objection, the unanimous consent request is agreed to, and the Senator from Texas is recognized.

Mr. McCARRAN. Mr. President, I raise the point of order that when unanimous consent is given to call the calendar, that consent cannot be disturbed, even by a privileged motion.

Mr. KNOWLAND. Mr. President, speaking to the point of order raised by the Senator from Nevada—

Mr. JOHNSON of Texas. Mr. President, I hope the time taken for this discussion will not come out of my 5 minutes.

Mr. KNOWLAND. I ask that the time required for the discussion on the point of order not come out of the time of the distinguished minority leader.

On the question of the point of order raised by the distinguished Senator from Nevada, I believe the Senator is in error. A conference report is always in order, except during a period when the Senate is voting or when a motion to adjourn has been made. I believe it is perfectly proper that the Consent Calendar be interrupted for consideration of a conference report, which is of the highest privilege.

Mr. McCARRAN. It has always been my theory, and it is now, that unanimous consent, is unanimous consent, and cannot be set aside by unanimous consent. A privileged question certainly cannot set aside unanimous consent.

The VICE PRESIDENT. The Chair is informed by the Parliamentarian that the only agreement was that the Senate would proceed to the consideration of the calendar of bills to which there was no objection. So far as the unanimous-consent agreement was concerned, there was no agreement to proceed to the conclusion of the calendar. Under the circumstances, the conference report can be brought up for consideration at this time.

Mr. JOHNSON of Texas. Mr. President—

The VICE PRESIDENT. The Senator from Texas is recognized for 5 minutes.

Mr. JOHNSON of Texas. Mr. President, I would not ask the Senate to indulge me for even this brief period except for the fact that I believe there is involved a very serious question, namely, the question of the relationship between the majority and the minority. From that standpoint, I think the action just taken by the distinguished acting majority leader is very unfortunate.

Mr. President, I desire every Senator, before he answers the rollcall on the motion to consider the conference report, to know what he is voting for. I do not know what is in the conference report; I do not know how many Senators know what is in the conference report. I did not know that the conference report would be brought up.

On last Tuesday the distinguished acting majority leader made a statement to the Senate, which appears at page 6847, and reads as follows:

It is planned to take a recess from tonight until Thursday. On Thursday we will have a call of the calendar, and I hope that by Friday the printed hearings on the submerged lands measure will be available. If they are not available by Friday, we will take up miscellaneous and largely noncontroversial bills, and then go over until Monday.

The minority leader does not make the point that the distinguished acting majority leader gave any assurance that that would be the only business transacted, but I ask each Senator to turn to page 6847 of the RECORD, read that language, and see if he would not feel he would be justified in concluding that no controversial legislation would be brought up.

The conference report is so controversial that not one member of the minority would sign it. Why? That will be told to the Senate in detail during the debate on the merits of the proposition.

The acting majority leader told the Senate on Tuesday that he would move a recess of the Senate until Thursday; that on Thursday he would move a call of the calendar; that on Friday it was proposed to take up the submerged lands bill, but there would be no vote on it.

On Wednesday afternoon, at 5:20, he called my office. I was not present; I was in the House Chamber. This morning I called his office, and he was not present; he was attending a meeting of the Committee on Foreign Relations. However, the first information that the minority had that this controversial conference report would be brought up was at 5:20 yesterday afternoon.

I submit that if the majority of the Senate is going to legislate in that way, it is legislation by surprise; it is a patronage grab in the dark, without notice. It is legislation by steam roller.

I hope the day will never come, in connection with a measure so controversial as this—a conference report which none of the Democratic conferees would sign—when such a matter can be brought before the Senate, in the midst of a call of the calendar, by a motion which is not debatable. The only way the motion can be discussed is by virtue of the generosity of the acting majority leader in permitting us to have 5 minutes to explain our attitude on the report.

Mr. President, the conference report ought to go back to the conference committee. The conference report ought not to be adopted. However, that is not the question we are deciding now. The question is whether this procedure should be permitted. At 5 o'clock on Wednesday afternoon the membership

of the Senate is assured that the calendar will be called on Thursday, and that no votes will be had on Friday. Many Senators go to their respective States to fill engagements. Then the acting majority leader rises and says, "This is a privileged matter. We have our responsibilities. We are going to ram it down your throat."

I do not believe that a fair Senate, a just Senate, or any Senator who believes in fair treatment of his colleagues, will vote to proceed to the consideration of the conference report at this time.

Mr. President, I suggest the absence of a quorum.

Mr. KNOWLAND. Mr. President, will the Senator withhold his suggestion of the absence of a quorum so as to permit the acting majority leader to make a statement, in view of the statement made by the minority leader? I shall not require more than 5 minutes.

Mr. JOHNSON of Texas. Certainly.

Mr. KNOWLAND. Mr. President, I think the Senate is entitled to have all the facts in connection with this situation. The conference report is a privileged matter. I have carefully reread the statements made by the acting majority leader last Tuesday. There is nothing in them which, by the slightest implication, would indicate that no matter of controversy would be taken up in the Senate on Thursday.

We have the problem of completing our legislative program. I say that it is the duty of every Senator to be present in the Senate Chamber to transact business. All of us have engagements. I have had them myself. I have canceled many engagements in order to discharge my duties as a Senator.

The rules of the Senate provide that a conference report is a privileged matter. There is nothing in the statement of the acting majority leader on Tuesday which indicates that no matter of controversy would be considered on Thursday.

I invite the attention of Senators to the fact that there is an expiration date in connection with the Second War Powers Act. That date is the 30th of June. Next Monday will be the 22d day of June. If by chance the Senate should send the report back to the conference committee, the Second War Powers Act might expire, and we would suffer the loss of control of strategic materials, which the executive branch of the Government believes necessary for the security of the Nation.

Furthermore, I wish to point out that the conference report was considered yesterday in the House of Representatives. So far I know, it was considered without any advance notice, and by unanimous consent, including the consent of all the Democratic Members and the Democratic minority leader, as well as the Democratic members of the conference committee.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield.

Mr. JOHNSON of Texas. I am sure the Senator from California wishes to give the Senate all the facts. Will not the Senator also tell the Senate that the

conference report is largely the House bill?

Mr. KNOWLAND. Yes. I assume that fact will be brought out in the explanation. I hope the time consumed by the question of the Senator from Texas will not be taken from my time.

I have read the debate in the House. If one looks at the CONGRESSIONAL RECORD of yesterday, on page 6969, he will see that the conference report was considered by unanimous consent. There was no objection. As soon as I received word that the House had acted by unanimous consent, immediately—within 5 minutes of that time—I personally attempted to get in contact with the distinguished minority leader. Our relationships have always been pleasant, and I intend to keep them pleasant. I immediately personally called him. He was not in his office. I instructed the Secretary of the Senate, acting for me, immediately to call the secretary of the minority, Mr. Johnston, and inform him what our program was. I was informed—and I believe I am correct—that at about 5:20 last night Mr. Johnston, the secretary of the minority, was able to get word to the distinguished minority leader.

I invite the attention of Members of the Senate to the fact that members of the minority are not foreclosed in the slightest degree, because once the procedure is taken to bring up for consideration the conference report, the report itself will be debatable. Members of the minority will not lose any of their rights in the presentation of their point of view. The distinguished Senator from Indiana [Mr. CAPEHART] will make a statement on behalf of the conferees. The conference report itself will be subject to debate, under the very broad rules of the Senate. There will be no limitation of debate on that subject, so members of the minority will not be foreclosed from a full, frank, and free discussion of their views. I certainly would object if there were any attempt to shut off discussion at any time. Members of the minority will have every opportunity to present their case.

This is a procedural matter. Acting on my responsibility as acting majority leader, I am trying to expedite the business of the Senate. Next week we shall have before us for consideration some very important legislation, including mutual-security legislation, the Interior Department appropriation bill, the submerged lands bill, and other measures. I am trying to expedite transaction of the business of the Senate, with the help of the Senate, so that we can get away at a reasonable time this summer.

I am merely asking that the Senate, in connection with a procedural matter, follow the motion of the majority leader to bring this question before the Senate. Then ample debate can be had.

I understand that the distinguished minority leader wished to suggest the absence of a quorum. As soon as a quorum is obtained, with the understanding that I shall not lose my right to the floor, I intend to make my motion.

Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Alken	Hayden	McCarran
Anderson	Hendrickson	McClellan
Barrett	Hennings	Millikin
Bennett	Hickenlooper	Monroney
Bush	Hill	Morse
Butler, Md.	Hoey	Mundt
Byrd	Holland	Neely
Capehart	Humphrey	Payne
Carlson	Hunt	Potter
Case	Jackson	Purtell
Clements	Jenner	Robertson
Cooper	Johnson, Colo.	Saltonstall
Cordon	Johnson, Tex.	Schoeppel
Daniel	Johnston, S. C.	Smathers
Douglas	Kefauver	Smith, Maine
Duff	Kennedy	Smith, N. J.
Dworshak	Kerr	Sparkman
Eastland	Kilgore	Stennis
Ellender	Knowland	Symington
Ferguson	Kuchel	Taft
Flanders	Langer	Thye
Frear	Lehman	Watkins
George	Long	Welker
Gillette	Malone	Williams
Goldwater	Mansfield	Young
Green	Martin	
Griswold	Maybank	

The VICE PRESIDENT. A quorum is present.

Mr. KNOWLAND. I move that the Senator proceed to the consideration of the conference report on Senate bill 1081.

The VICE PRESIDENT. The question is on the motion of the Senator from California that the Senate proceed to the consideration of the conference report.

Mr. KNOWLAND and Mr. JOHNSON of Texas requested the yeas and nays.

The yeas and nays were ordered.

Mr. JOHNSON of Texas. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. JOHNSON of Texas. I understand the question before the Senate is whether the Senate will proceed to the consideration of the conference report. Senators who wish to have the conference report taken up will vote "yea"; Senators who do not wish to have the conference report taken up will vote "nay." Is that correct?

The VICE PRESIDENT. That is the question before the Senate.

The yeas and nays have been ordered and the Secretary will call the roll.

Mr. BUSH. Mr. President, will the Chair state the question again?

The VICE PRESIDENT. The question is on the motion of the Senator from California to proceed to the consideration of the conference report. The Secretary will call the roll.

The legislative clerk called the roll.

Mr. SALTONSTALL. I announce that the Senator from Maryland [Mr. BEALL], the Senator from Ohio [Mr. BRICKER], and the Senator from New Hampshire [Mr. BRIDGES] are necessarily absent. If present and voting, the Senator from Maryland [Mr. BEALL], the Senator from Ohio [Mr. BRICKER], and the Senator from New Hampshire [Mr. BRIDGES] would each vote "yea."

The Senator from Wisconsin [Mr. WILEY] and the Senator from Illinois [Mr. DIRKSEN] are absent on official business. If present and voting, the Senator from Wisconsin [Mr. WILEY]

Calendar No. 500

83D CONGRESS }
1st Session }

SENATE

} REPORT
No. 502

SECOND INDEPENDENT OFFICES APPROPRIATION BILL, 1954

JULY 8 (legislative day, JULY 6), 1953.—Ordered to be printed

Mr. SALTONSTALL, from the Committee on Appropriations, submitted
the following

R E P O R T

[To accompany H. R. 5690]

The Committee on Appropriations, to whom was referred the bill (H. R. 5690) making appropriations for additional independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1954, and for other purposes, report the same to the Senate with various amendments and present herewith information relative to the changes made.

Amount of bill as passed House.....	\$5, 284, 369, 664
Amount of decrease by Senate (net).....	46, 367, 000
Amount of bill as reported to Senate.....	5, 238, 002, 664
Amount of appropriations, 1953.....	8, 642, 124, 460
Amount of regular and supplemental estimates, 1954..	6, 455, 758, 664
The bill as reported to the Senate:	
Under the estimates for 1954.....	1, 217, 756, 000
Under the appropriations for 1953.....	3, 404, 121, 796

SUMMARY

The bill as it passed the House provided for a total appropriation of \$5,284,369,664. This was a reduction of \$1,171,389,000 from the estimates of \$6,455,758,664.

The Senate recommends a change in only one item of appropriation, under "Hospital and domiciliary facilities" of the Veterans' Administration. Funds for construction of new hospitals are denied in the amount of \$48,867,000 and funds for planning are provided instead in the amount of \$2,500,000.

The bill as reported to the Senate provides for a total appropriation of \$5,238,002,664, or a reduction from the estimates of \$1,217,756,000.

LIMITATIONS ON TRAVEL FUNDS

The House has inserted limitations in the bill on the amounts available for expenses of travel, amounting to \$7,386,865. The committee recommends increasing these limitations to a total amount of \$8,411,005.

Other travel funds in the bill are limited to the budget estimate by Sec. 102 of the general provisions.

The following tabulation shows the 1953 allowance, the estimate for 1954, the House limitation and the Senate recommendation:

	1953	Estimate, 1954	House limita- tion, 1954	Senate recom- mendation
Atomic Energy Commission: Operating expenses.....	\$2,509,350	\$3,587,000	\$2,389,130	\$2,739,130
Selective Service System: ¹ (See note below)				
National Administration, Planning, Training, and Records Management.....	78,125	120,000	80,000	80,000
State Administration, Planning, Training, and Records Servicing.....	230,925	350,000	200,000	200,000
National Selective Service Appeal Board.....	3,875	3,875	3,875	3,875
National Advisory Committee on the Selection of Doctors, Dentists, and Allied Specialists.....	45,000	35,000	35,000	35,000
Tennessee Valley Authority.....	1,648,275	2,765,532	2,773,000	2,773,000
Veterans Administration:				
General operating expenses.....	2,482,573	4,013,582	2,675,720	3,200,000
Medical administration and miscellaneous oper- ating expenses.....	596,832	1,130,700	753,800	856,000
Maintenance and operation of hospitals.....	258,201	405,000	270,000	305,000
Maintenance and operation of domiciliary facilities.....	2,458	4,800	3,200	4,800
Outpatient care.....	178,305	286,700	190,140	196,000
Maintenance and operation of supply depots.....	12,331	19,500	13,000	18,200
Total, travel limitations.....	8,046,250	12,721,689	7,386,865	8,411,005

¹ Sec. 102 exempts from budget limitations on travel "members of local draft boards." Senate amendment changes to read "uncompensated officials of local boards and appeal boards." Travel is limited to budget estimates for "Registration, classification and induction"; estimates for administrative travel for 1953, \$545,900; for 1954, \$582,500.

² Exclusive of travel for work in connection with the construction of transmission lines, dams, and steam plants

INCREASES AND LIMITATIONS

The changes recommended by the committee in the amounts of the House bill are as follows:

ATOMIC ENERGY COMMISSION:

Plant and equipment:

In order to provide the Commission with necessary authority to purchase passenger-carrying motor vehicles only after determination is made that such vehicles cannot be obtained by transfer from other departments or agencies under the proposal of the House committee, the committee recommends that the following be added to the bill:

purchase of 526 passenger-carrying motor vehicles (of which 426 shall be for replacement) in the event adequate vehicles cannot be obtained by transfer from other departments or agencies

INCREASES AND LIMITATIONS—Continued

ATOMIC ENERGY COMMISSION—Continued

It is the sense of the committee that the door should not be closed on research and development or on construction of reactors which will advance technology toward both ship propulsion and the generation of industrial power. Accordingly, the committee recommends changes in such proviso in order to remove the limitation on the number of reactors that the Commission could undertake to construct for such purpose, and requests the Commission to reprogram without such restriction.

The committee recommends, in order to allow the Commission to operate effectively under the provision requiring funds to be available for completion of a unit of a project before construction is started, that the following be added to the bill:

at the start of such construction to meet the currently estimated cost

To allow the Commission to make alterations and improvements leading to increases in productivity or reductions in cost which were not foreseen in time for inclusion in the budget estimate, the committee recommends that the following be added to the bill, as estimated:

: Provided further, That the foregoing proviso shall not apply to any project for the alteration, extension, or improvement of technical or production facilities unless such project includes the construction of a new building estimated to cost in excess of \$100,000

The committee is informed that access roads are urgently needed at the Pike County, Ohio, plant of the Commission; that funds for that purpose were included in the estimates for the Department of Commerce under the access roads certified as important to the national defense, but that the amount allowed in that bill as it passed the Senate is not sufficient to provide the requirements of the Commission. The committee is also informed that there is urgent need for funds for replacement roads around the Arco, Idaho, plant of the Commission, which have not as yet been certified as important to the national defense.

The committee realizes it is not good legislative technique to allow funds in one bill that have been disallowed in another bill, and emphasizes that its action in this recommendation to take care of an urgent need is not to be taken as a precedent for future action.

The committee recommends, in order to authorize the transfer of \$10,000,000 to the Bureau of Public Roads, Department of Commerce, to enable that agency, in carrying out the provisions of section 6 of the Defense Highway Act of 1941 as amended, to provide such access roads required by Commission plants in Pike County, Ohio, and at Arco, Idaho, as are certified to the Secretary of Commerce as important to the national defense pursuant to section 12 of the Federal Aid Highway Act of 1950 as amended, that the following be added to the bill:

: Provided further, That the Commission is authorized to transfer not to exceed \$10,000,000 to the Bureau of Public Roads, Department of

INCREASES AND LIMITATIONS—Continued

ATOMIC ENERGY COMMISSION—Continued

Commerce, to provide for construction of access roads to the Pike County, Ohio, plant and to the Arco, Idaho, plant of the Commission.

The committee is informed that \$1,800,000 would be required for replacement roads to the Arco, Idaho, plant. The balance of the \$10,000,000 would therefore be available for access roads to the Pike County, Ohio, plant.

In order to reinstate the transfer provision contained in the 1953 act, with an additional requirement for reporting such transfers, the committee recommends that the following be added to the bill:

Not to exceed 5 per centum of any appropriation under this head may be transferred to any other such appropriation but no such appropriation shall be increased by more than 5 per centum by any such transfers, and any such transfers shall be reported promptly to the appropriations committees of the House and Senate.

SELECTIVE SERVICE SYSTEM:

For the purpose of clarifying the exemption from budget limitation of travel performed by members of local draft boards and appeal boards, the committee recommends the following substitute for "members of local draft boards" in the proviso of section 102 of the general provisions:

uncompensated officials of local boards and appeal boards

TENNESSEE VALLEY AUTHORITY:

The committee agrees with the disallowance by the House of \$2,209,000 as an appropriation for the resource development program. Included in the total amount appropriated, however, is \$230,000 for administrative and general expenses of the program.

The committee directs the Authority by the end of fiscal year 1954 to turn over to Federal, State, or local governments or public or private agencies the responsibility for continuing their respective parts of the resource development program, so that no further appropriations may be required to the Authority for that purpose. Meantime, in view of the importance of such work to the TVA area, the Authority is directed, within the funds available to it, to continue the forest resource development portion of the program at the estimated level of \$654,000 for 1954.

In the limitation on funds to be available for acquiring a building for use as an administrative office of the Authority, the committee recommends that the following be stricken from the bill:

so long as the amount appropriated annually for the construction of power facilities exceeds the amount deposited annually in the Treasury for repayment of the investment of the Federal Government in the power facilities of the Authority

and that the following be inserted in lieu thereof:

until the Director of the Bureau of the Budget makes a study and report with recommendations not later than January 1, 1954, to the appropriations committees of the

INCREASES AND LIMITATIONS—Continued

TENNESSEE VALLEY AUTHORITY—Continued

House and Senate on the advisability and feasibility of the acquisition of said building

The committee also recommends that the following proviso be stricken from the bill:

: *Provided further*, That no funds available for expenditure by this agency shall be used for the payment of the salary of any employee in the District of Columbia at a rate in excess of \$8,000 per annum

The committee is informed that 64 percent of the present power capacity of TVA is in hydroelectric and 36 percent is in steam, but that upon completion of the projects now under construction and authorized in this bill, 37 percent of such enlarged capacity will be in hydroelectric and 63 percent will be in steam. The committee is also informed that while TVA is currently supplying 65 percent of the power requirements of the Atomic Energy Commission, by 1956 under steady operating conditions TVA will be supplying about 52 percent and 48 percent will be supplied by private companies.

In agreeing with the House provision for new steam facilities at John Sevier and Kingston, the committee believes a careful review should be made of this changing power situation and therefore directs the staff of the committee to gather essential facts which will enable the committee to study the matter at the next session of the Congress.

VETERANS' ADMINISTRATION:

Outpatient care.

In order to clarify the purpose of the limitation of \$23 million for outpatient dental care and to distinguish between fee basis work and staff work in VA clinics, the committee recommends the insertion of the words "fee basis."

For the purpose of not precluding thousands of veterans who are entitled to dental service and should have such service from getting it, the committee recommends the deletion of the restrictive language "two years after separation from active service" and "whichever is later" from the proviso requiring application for treatment, so that such application can be made within 1 year after enactment of the act.

In this connection, the committee recommends that the entire program of dental service to veterans be reviewed by the legislative committees of the Congress.

Compensation and pensions:

In agreeing to the reduction of \$300,000,000 below the estimate of \$2,546,291,000 for compensation and pensions, the committee concurs with the statement of the House that such funds are to meet a contractual obligation of the Federal Government and if additional funds are required during the fiscal year they will be recommended. Such reduction in total funds does not mean a denial of compensation or pension to which a deserving veteran is entitled.

INCREASES AND LIMITATIONS—Continued

VETERANS' ADMINISTRATION—Continued

Readjustment benefits:

In order to clarify the proviso that the cutting off of the 4 percent gratuity on loans to veterans for the purchase or construction of homes, farms and business property by September 1, 1953, would not apply to loans previously made, the committee recommends that the following be added to the bill:

or commitments for loans made by the Veterans' Administration

The committee also recommends that the following be added to the bill:

: Provided further, That under any contract between a State, or any political subdivision of a State, and the Veterans' Administration providing for the furnishing of instruction in a course of institutional on-farm or other training under part VIII of Veterans Regulation Numbered 1 (a), as amended (Public Law 346, Seventy-eighth Congress, as amended) liability authorized by this section by reason of payments of subsistence allowance which were illegal because of failure of the veteran or the course to comply with the applicable statutory, regulatory or contractual requirements shall not be applied to the contracting State, or political subdivision, unless the Administrator of Veterans' Affairs, after investigation, finds that an employee or representative of such State, or political subdivision, conspired with the veteran by, or was guilty of fraud or gross negligence in, falsely reporting to the Veterans' Administration that the veteran was in a proper course of training, failing to report unauthorized or excessive absences from, or interruption or discontinuance of, his course of training, or not discovering the failure of the veteran to comply with the applicable statutory, regulatory, or contractual requirements and not promptly terminating the course of training of the veteran. The provisions of this proviso shall be effective as of July 13, 1950, but shall not require repayment of any funds heretofore properly recovered by agreement of the parties to any such contract, and shall not be applicable to any other liabilities or agreements pursuant to such contract

Transfer provision:

The committee recommends that the following be added to the paragraph authorizing not to exceed 5 per centum of certain appropriations to be transferred: *, but not to exceed 10 per centum of the appropriation so augmented*

DECREASES

VETERANS ADMINISTRATION:

Hospital and domiciliary facilities----- \$46,367,000

The net decrease recommended by the committee results from the disallowance of \$48,867,000 provided in the bill for construction of new hospitals and the substitution of \$2,500,000 in the bill for planning funds for such hospitals.

The House report states these funds were intended for the following:

San Francisco, Calif, 1,000-bed NP-	\$23,377,000
Topeka, Kans., 1,000-bed NP-----	20,490,000
Houston, Tex., addition or extension, 125 NP, 125 TB-----	5,000,000

The committee is advised that such contracts would not be awarded in fiscal year 1954, and would not be completed until fiscal year 1957 and thereafter.

Accordingly, the committee recommends the inclusion of the words "planning for," to conform to the allowance of \$2,500,000 for planning funds, and that the following provisos be stricken from the bill:

: *Provided*, That no part of the foregoing appropriation shall be used to commence any major alteration, improvement, or repair unless funds are available for the completion of such work; and no funds shall be used for such work at any facility if the Veterans Administration is reasonably certain that the installation will be abandoned in the near future: *Provided further*, That not to exceed 5.5 per centum of the amounts available under this head shall be available for the employment of all necessary technical and clerical personnel for the preparation of plans and specifications for the projects as approved hereunder and in the supervision of the execution thereof, and for all travel expenses, field office equipment, and supplies in connection therewith, except that whenever the Veterans Administration finds it necessary in the construction of any project to employ other Government agencies or persons outside the Federal service to perform such services not to exceed 9 per centum of the cost of such projects may be expended for such services

General provisions:

SEC. 105. Limitation on information specialists:

In agreeing to the limitation of 26 placed by the House on the number of persons engaged in the Veterans Administration on public relations work, the committee recommends that the following be stricken from the bill:

SEC. 105. (a) No part of the money appropriated by this Act to any department, agency, or corporation or available for expenditure by any department, agency, or corporation which is in excess of 75 per centum of the amount required to pay the compensation of all persons the budget estimates for personal services heretofore submitted to the Congress for the fiscal year 1954

DECREASES—Continued

General provisions—Continued

contemplated would be employed by such department, agency, or corporation during such fiscal year in the performance of—

(1) functions performed by a person designated as an information specialist, information and editorial specialist, publications and information coordinator, press relations officer or counsel, photographer, radio expert, television expert, motion picture expert, or publicity expert, or designated by any similar title, or

(2) functions performed by persons who assist persons performing the functions described in (1) in drafting, preparing, editing, typing, duplicating, or disseminating public information publications or releases, radio or television scripts, magazine articles, photographs, motion pictures, and similar material,

shall be available to pay the compensation of persons performing the functions described in (1) or (2).

Total decreases-----	\$46, 367, 000
Amount of bill as passed House-----	5, 284, 369, 664
Less decrease by Senate-----	46, 367, 000
Amount of bill as reported to the Senate-----	5, 238, 002, 664

COMPARATIVE STATEMENT OF APPROPRIATIONS FOR 1953, ESTIMATES FOR 1954, AND AMOUNTS RECOMMENDED IN THE BILL FOR 1954

SECOND INDEPENDENT OFFICES APPROPRIATIONS, 1954

9

Corporation or agency	Appropriations, 1953	Budget estimates, 1954	Recommended in House bill for 1954	Amount recommended by Senate Committee	Increase (+) or decrease (−) Senate bill compared with—		
					Appropriations, 1953	Estimates, 1954	House bill
ATOMIC ENERGY COMMISSION							
Operating expenses.....	1 \$797,080,500	\$1,156,418,000	\$891,781,000	\$891,781,000	+\$94,700,500	−\$264,637,000	-----
Plant and equipment.....	2 3,270,541,000	436,371,000	166,000,000	166,000,000	−3,104,541,000	−270,371,000	-----
Liquidation of contract authority.....	57,000,000	-----	-----	-----	−57,000,000	-----	-----
Total, Atomic Energy Commission.....	4,124,621,500	1,592,789,000	1,057,781,000	1,057,781,000	−3,066,840,500	−535,008,000	-----
SELECTIVE SERVICE SYSTEM.....	36,772,000	34,400,000	29,882,400	29,882,400	−6,889,600	−4,517,600	-----
TENNESSEE VALLEY AUTHORITY.....	3 336,027,000	254,355,000	188,371,000	188,371,000	−147,656,000	−65,984,000	-----
VETERANS' ADMINISTRATION							
Administration, medical, hospital, and domiciliary services.....	4 853,382,260	921,100,000	0	0	−853,382,260	−921,100,000	-----
General operating expenses.....	(5)	(5)	193,531,000	193,531,000	+193,531,000	+193,531,000	-----
Medical administration and miscellaneous operating expenses.....	(5)	(5)	14,870,400	14,870,400	+14,870,400	+14,870,400	-----
Maintenance and operation of hospitals.....	(5)	(5)	548,000,000	548,000,000	+548,000,000	+548,000,000	-----
Contract hospitalization.....	(5)	(5)	20,583,100	20,583,100	+20,583,100	+20,583,100	-----
Maintenance and operation of domiciliary facilities.....	(5)	(5)	24,248,200	24,248,200	+24,248,200	+24,248,200	-----
Outpatient care.....	(5)	(5)	92,677,900	92,677,900	+92,677,900	+92,677,900	-----
Maintenance and operation of supply depots.....	(5)	(5)	1,800,000	1,800,000	+1,800,000	+1,800,000	-----
Compensation and pensions.....	7 2,441,924,000	2,546,291,000	2,246,291,000	2,246,291,000	−195,633,000	−300,000,000	-----
Readjustment benefits.....	8 633,907,200	884,962,000	664,311,000	664,311,000	+30,403,800	−220,651,000	-----

¹ Includes \$88,094,000 contained in the Supplemental Appropriation Act, 1953.

² Includes \$2,898,800,000 contained in the Supplemental Appropriation Act, 1953.

³ Includes \$150,000,000 contained in the Supplemental Appropriation Act, 1953.

⁴ And \$12,500,000 of 1952 funds continued available. Amount includes \$10,000,000 contained in the Second Supplemental Appropriation Act, 1953.

⁵ Consolidated in the foregoing appropriation.

⁶ And in addition \$7,000,000 from reimbursements for services performed for other Government agencies and individuals.

⁷ Includes \$237,573,000 contained in the Second Supplemental Appropriation Act, 1953.

⁸ Includes \$75,000,000 contained in the Second Supplemental Appropriation Act, 1953.

Comparative statement of appropriations for 1953, estimates for 1954, and amounts recommended in the bill for 1954—Con.

Corporation or agency	Appropriations, 1953	Budget estimates, 1954	Recommended in House bill for 1954	Amount recommended by Senate Committee	Increase (+) or decrease (–) Senate bill compared with—		
					Appropriations, 1953	Estimates, 1954	House bill
VETERANS' ADMINISTRATION—continued							
Military and naval insurance.....	\$6,854,000	\$1,496,000	\$1,496,000	\$1,496,000	–\$5,358,000	-----	-----
Hospital and domiciliary facilities.....	49,791,000	92,368,000	48,867,000	2,500,000	–47,291,000	–\$89,868,000	–\$46,367,000
Hospital and domiciliary facilities (liquidation of contract authorization).....	59,000,000	21,185,664	21,185,664	21,185,664	–37,814,336	-----	-----
Major alterations, improvements, and repairs.....	8,750,000	7,344,000	0	0	–8,750,000	–7,344,000	-----
National service life insurance.....	54,072,000	45,836,000	75,000,000	75,000,000	+20,928,000	+29,164,000	-----
Servicemen's indemnities.....	10 10,595,000	14 14,604,000	18,000,000	18,000,000	+7,405,000	+3,396,000	-----
Veterans' miscellaneous benefits.....	12 18,567,000	35,743,000	35,743,000	35,743,000	+17,176,000	-----	-----
Grants to the Republic of the Philippines.....	13 2,861,500	3,285,000	14 1,731,000	14 1,731,000	–1,130,500	–1,554,000	-----
Automobiles and other conveyances for disabled veterans.....	5,000,000	-----	-----	-----	–5,000,000	-----	-----
Total, Veterans' Administration.....	4,144,703,960	4,574,214,664	4,008,335,264	3,961,968,264	–182,735,696	–612,246,400	–46,367,000
Total, Independent offices.....	8,642,124,460	6,455,758,664	5,284,369,664	5,238,002,664	–3,404,121,796	–1,217,756,000	–46,367,000

⁹ Revised budget estimate is \$75,000,000.

¹⁰ Includes \$2,000,000 contained in the Second Supplemental Appropriation Act, 1953.

¹¹ Revised budget estimate is \$18,000,000.

¹² Includes \$1,361,000 contained in the Second Supplemental Appropriation Act, 1953.

¹³ Includes \$1,000,000 contained in the Second Supplemental Appropriation Act, 1953.

¹⁴ And reappropriation of \$769,000 of prior year unobligated balances.

Calendar No. 500

83^D CONGRESS
1ST SESSION

H. R. 5690

[Report No. 502]

IN THE SENATE OF THE UNITED STATES

JUNE 18 (legislative day, JUNE 8), 1953

Read twice and referred to the Committee on Appropriations

JULY 8 (legislative day, JULY 6), 1953

Reported by Mr. SALTONSTALL, with amendments

[Omit the part struck through and insert the part printed in italic]

AN ACT

Making appropriations for additional independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1954, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That the following sums are appropriated, out of any money
4 in the Treasury not otherwise appropriated, for sundry
5 independent executive bureaus, boards, commissions, cor-
6 porations, agencies, and offices, for the fiscal year ending
7 June 30, 1954, namely:

ATOMIC ENERGY COMMISSION

Operating expenses: For necessary operating expenses of the Commission in carrying out the purposes of the Atomic Energy Act of 1946, including the employment of aliens; services authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a) ; maintenance and operation of aircraft; publication and dissemination of atomic information; purchase, repair, and cleaning of uniforms; purchase of newspapers and periodicals (not to exceed \$5,000) ; official entertainment expenses (not to exceed \$5,000) ; not to exceed ~~\$2,389,130~~ \$2,739,130 for expenses of travel; reimbursement of the General Services Administration for security guard services; not to exceed \$27,352,000 for program direction and administration personnel; and hire of passenger motor vehicles; \$891,781,000, together with the unexpended balances, as of June 30, 1953, of prior year appropriations made available under this head to the Atomic Energy Commission: *Provided*, That of such amounts \$100,000 may be expended for objects of a confidential nature and in any such case the certificate of the Commission as to the amount of the expenditure and that it is deemed inadvisable to specify the nature thereof shall be deemed a sufficient voucher for the sum therein expressed to have been expended: *Provided further*, That from this appropriation transfers of sums may

1 be made to other agencies of the Government for the per-
2 formance of the work for which this appropriation is made,
3 and in such cases the sums so transferred may be merged
4 with the appropriation to which transferred: *Provided*
5 *further*, That no part of this appropriation shall be used
6 to pay the salary of any officer or employee (except such
7 officers and employees whose compensation is fixed by law,
8 and scientific and technical personnel) whose position would
9 be subject to the Classification Act of 1949, as amended,
10 if such Act were applicable to such position, at a rate in
11 excess of the rate payable under such Act for positions of
12 equivalent difficulty or responsibility: *Provided further*,
13 That no part of this appropriation shall be used in connec-
14 tion with the payment of a fixed fee to any contractor or
15 firm of contractors engaged under a cost-plus-a-fixed-fee
16 contract or contracts at any installation of the Commission,
17 where that fee for community management is at a rate in
18 excess of \$90,000 per annum, or for the operation of a
19 transportation system where that fee is at a rate in excess
20 of \$45,000 per annum.

21 Plant and equipment: For expenses of the Commission
22 in connection with the purchase and construction of plant
23 and the acquisition of equipment and other expenses inci-
24 dental thereto necessary in carrying out the purposes of the

1 Atomic Energy Act of 1946, including purchase of land and
2 interests in land; purchase of aircraft; *purchase of five*
3 *hundred and twenty-six passenger-carrying motor vehicles*
4 *(of which four hundred and twenty-six shall be for replace-*
5 *ment) in the event adequate vehicles cannot be obtained by*
6 *transfer from other departments or agencies* and hire of pas-
7 senger motor vehicles; \$166,000,000, to remain available until
8 expended: *Provided*, That the unexpended balances of prior
9 year appropriations made available under this head shall be
10 merged with this appropriation: *Provided further*, That in
11 addition to funds allocated for research and development for
12 ~~a~~ *any* reactor which will advance technology towards both
13 ship propulsion and the generation of industrial power
14 and for design of such atomic power ~~reactor~~ *reactors*,
15 the Commission may expend from funds provided
16 under this head such sum as may be necessary,
17 not to exceed \$7,000,000, for beginning of construc-
18 tion of such ~~reactor~~ *reactors*, without regard to any other
19 provision of this Act: *Provided further*, That funds ap-
20 propriated under this head may, whenever the Commission
21 determines a need exists, be used for the construction
22 of particle accelerators without regard to any other provision
23 of this Act: *Provided further*, That no part of the foregoing
24 appropriation shall be available for the construction of any
25 office building, residence, warehouse or similar structure,

1 utility, or other specific portion or unit of a project, unless
2 funds are available *at the start of such construction to meet the*
3 *currently estimated cost* for the completion of such building,
4 utility, or other specific portion or unit of such project. The
5 foregoing proviso shall not be construed to prevent the pur-
6 chase of land for any project, the construction of any new
7 building or procurement of any machinery, equipment or
8 materials therefor, nor any utility nor any portion or unit
9 of a specific project if the funds are available to pay the cost
10 of such land, the cost of such building, machinery, equip-
11 ment or materials, or the cost of such utility or the cost of
12 any such specific portion or unit of such project: *Provided*
13 *further*, That no part of this appropriation shall be used—

14 (A) to start any new construction project for which
15 an estimate was not included in the budget for the cur-
16 rent fiscal year; and

17 (B) to start any new construction project the cur-
18 rently estimated cost of which exceeds by thirty-five per
19 centum the estimated cost included therefor in such
20 budget: *Provided further*, *That the foregoing proviso*
21 *shall not apply to any project for the alteration, exten-*
22 *sion, or improvement of technical or production facilities*
23 *unless such project includes the construction of a new*
24 *building estimated to cost in excess of \$100,000: Pro-*
25 *vided further*, *That the Commission is authorized to*

1 *transfer not to exceed \$10,000,000 to the Bureau of Pub-*
2 *lic Roads, Department of Commerce, to provide for con-*
3 *struction of access roads to the Pike County, Ohio, plant*
4 *and to the Arco, Idaho, plant of the Commission.*

5 No part of the appropriations herein made to the Atomic
6 Energy Commission shall be available for payments under
7 any contract hereafter negotiated without advertising by the
8 Commission, except contracts with any foreign government
9 or any agency thereof and contracts for source material with
10 foreign producers, unless such contract includes a clause
11 to the effect that the Comptroller General of the United
12 States or any of his duly authorized representatives shall
13 until the expiration of three years after final payment have
14 access to and the right to examine any directly pertinent
15 books, documents, papers, and records of the contractor or
16 any of his subcontractors engaged in the performance of and
17 involving transactions related to such contracts or subcon-
18 tracts: *Provided*, That no part of such appropriations shall
19 be available for payments under any such contract which
20 includes any provision precluding an audit by the General
21 Accounting Office of any transaction under such contract.

22 Any appropriation available under this Act or hereto-
23 fore made to the Atomic Energy Commission may initially
24 be used during the fiscal year 1954 to finance the procure-
25 ment of materials, services, or other costs which are a

1 part of work or activities for which funds have been pro-
2 vided in any other appropriation available to the Com-
3 mission: *Provided*, That appropriate transfers or adjustments
4 between such appropriations shall subsequently be made for
5 such costs on the basis of actual application determined in
6 accordance with generally accepted accounting principles.

7 *Not to exceed 5 per centum of any appropriation under*
8 *this head may be transferred to any other such appropriation*
9 *but no such appropriation shall be increased by more than 5*
10 *per centum by any such transfers, and any such transfers*
11 *shall be reported promptly to the appropriations committees*
12 *of the House and Senate.*

13 No part of any appropriation herein made to the Atomic
14 Energy Commission shall be used to confer a fellowship
15 on any person who advocates or who is a member of an
16 organization or party that advocates the overthrow of the
17 Government of the United States by force or violence or with
18 respect to whom the Commission finds, upon investigation
19 and report by the Civil Service Commission on the character,
20 associations, and loyalty of whom, that reasonable grounds
21 exist for belief that such person is disloyal to the Government
22 of the United States: *Provided*, That any person who advo-
23 cates or who is a member of an organization or party that
24 advocates the overthrow of the Government of the United
25 States by force or violence and accepts employment or a

1 fellowship the salary, wages, stipend, grant, or expenses for
2 which are paid from any appropriation contained herein
3 shall be guilty of a felony and, upon conviction, shall be
4 fined not more than \$1,000 or imprisoned for not more than
5 one year, or both: *Provided further*, That the above penal
6 clause shall be in addition to, and not in substitution for, any
7 other provisions of existing law.

8 SELECTIVE SERVICE SYSTEM

9 SALARIES AND EXPENSES

10 For expenses necessary for the operation and mainte-
11 nance of the Selective Service System, as authorized by title
12 I of the Universal Military Training and Service Act (62
13 Stat. 604), as amended, including services as authorized by
14 section 15 of the Act of August 2, 1946 (5 U. S. C. 55a);
15 not to exceed \$250 for the purchase of newspapers and pe-
16 riodicals; not to exceed \$80,000 for expenses of travel, Na-
17 tional Administration, Planning, Training, and Records Man-
18 agement; not to exceed \$200,000 for expenses of travel,
19 State Administration, Planning, Training, and Records Serv-
20 icing; \$92,500 for the National Selective Service Appeal
21 Board, of which not to exceed \$3,875 shall be available for
22 expenses of travel; and \$265,000 for the National Advisory
23 Committee on the Selection of Doctors, Dentists, and Allied
24 Specialists, of which not to exceed \$35,000 shall be avail-
25 able for expenses of travel; \$29,882,400: *Provided*, That

1 during the current fiscal year, the President may exempt
2 this appropriation from the provisions of subsection (c) of
3 section 3679 of the Revised Statutes, as amended, whenever
4 he deems such action to be necessary in the interest of
5 national defense.

6 Appropriations for the Selective Service System may be
7 used for the destruction of records accumulated under the
8 Selective Training and Service Act of 1940, as amended,
9 which are hereby authorized to be destroyed by the Director
10 of Selective Service after compliance with the procedures for
11 the destruction of records prescribed pursuant to the Records
12 Disposal Act of 1943, as amended (44 U. S. C. 366-380) :
13 *Provided*, That no records may be transferred to any other
14 agency without the approval of the Director of Selective
15 Service.

16 TENNESSEE VALLEY AUTHORITY

17 For the purpose of carrying out the provisions of the
18 Tennessee Valley Authority Act of 1933, as amended (16
19 U. S. C., ch. 12A), including purchase (not to exceed one)
20 and hire, maintenance, and operation of aircraft, and hire of
21 passenger motor vehicles, \$188,371,000, to remain available
22 until expended, and to be available for the payment of obliga
23 tions chargeable against prior appropriations: *Provided*, That
24 no funds appropriated for the Tennessee Valley Authority by

1 this paragraph shall be used for the maintenance or operation
2 of any aircraft for passenger service that is not specifically
3 confined to the active operation of the official business of the
4 Tennessee Valley Authority by officers or employees of such
5 Authority, and not to exceed \$773,000 (exclusive of travel
6 for work in connection with the construction of transmission
7 lines, dams, and steam plants) of funds available to the
8 Tennessee Valley Authority shall be used for expenses of
9 travel: *Provided further*, That no part of funds available for
10 expenditure by this agency shall be used, directly or in-
11 directly, to acquire a building for use as an administrative
12 office of the Tennessee Valley Authority so long as the
13 amount appropriated annually for the construction of power
14 facilities exceeds the amount deposited annually in the Treas-
15 ury for repayment of the investment of the Federal Govern-
16 ment in the power facilities of the Authority *until the Director*
17 *of the Bureau of the Budget makes a study and report with*
18 *recommendations not later than January 1, 1954, to the*
19 *appropriations committees of the House and Senate on the*
20 *advisability and feasibility of the acquisition of said build-*
21 *ing:—Provided further*, That no funds available for expendi-
22 ture by this agency shall be used for the payment of the
23 salary of any employee in the District of Columbia at a
24 rate in excess of \$8,000 per annum.

REDUCTION IN APPROPRIATION

The sum of \$66,000 heretofore appropriated for construction of a combination fertilizer facility is hereby carried to the surplus fund and covered into the Treasury immediately upon the approval of this Act.

VETERANS ADMINISTRATION

General operating expenses: For necessary operating expenses of the Veterans Administration, not otherwise provided for, including expenses incidental to securing employment for war veterans; not to exceed \$6,000 for newspapers and periodicals; not to exceed ~~\$2,675,720~~ \$3,200,000 for expenses of travel of employees; and not to exceed \$43,700 for preparation, shipment, installation, and display of exhibits, photographic displays, moving pictures, and other visual educational information and descriptive material, including purchase or rental of equipment; \$193,531,000: *Provided*, That no part of this appropriation shall be used to pay in excess of twenty-six persons engaged in public relations work: *Provided further*, That between September 1, 1953, and June 30, 1954, no part of any appropriation shall be used to pay to educational institutions for reports and certifications of attendance at such institutions covering attendance on or after September 1953 an allowance at a rate in ex-

1 cess of \$1 per month for each eligible veteran enrolled in
2 and attending such institution.

3 Medical administration and miscellaneous operating
4 expenses: For expenses necessary for administration of the
5 medical, hospital, domiciliary, special service, construction
6 and supply, research, and employee education and training
7 activities; expenses necessary for carrying out programs of
8 medical research and of education and training of employees,
9 as authorized by law; repairs, alterations, and improvements
10 of facilities for regional offices and supply depots, as author-
11 ized by law; and not to exceed ~~\$753,800~~ \$856,000 for ex-
12 penses of travel of employees paid from this appropriation;
13 \$14,870,400.

14 Maintenance and operation of hospitals: For expenses
15 necessary for maintenance and operation of hospitals, includ-
16 ing the furnishing of recreational articles and facilities; not
17 to exceed ~~\$270,000~~ \$305,000 for expenses of travel of em-
18 ployees; and maintenance and operation of farms; \$555,-
19 000,000, including the sum of \$7,000,000 for reimbursable
20 services performed for other government agencies and indi-
21 viduals: *Provided*, That the foregoing appropriation is predi-
22 cated on the staffing and operation of 114,315 beds during
23 the fiscal year 1954, and if a lesser number is provided such
24 appropriation shall be expended only in proportion to the
25 number of beds staffed and operated.

1 Contract hospitalization: For care and treatment of
 2 beneficiaries of the Veterans Administration in facilities
 3 not under the jurisdiction of the Veterans Administration,
 4 as authorized by law, \$20,583,100: *Provided*, That allot-
 5 ments and transfers may be made from this appropriation to
 6 the Department of Health, Education, and Welfare (Public
 7 Health Service), the Army, Navy, Air Force, and Interior
 8 Departments, for disbursement by them under the various
 9 headings of their applicable appropriations, of such amounts
 10 as are necessary for the care and treatment of beneficiaries
 11 of the Veterans Administration.

12 Maintenance and operation of domiciliary facilities:
 13 For expenses necessary for the maintenance and operation
 14 of domiciliary facilities, including recreational articles and
 15 facilities, and not to exceed ~~\$3,200~~ \$4,800 for expenses of
 16 travel of employees; and aid to State or Territorial homes in
 17 conformity with the Act approved August 27, 1888, as
 18 amended (24 U. S. C. 134), for the support of veterans
 19 eligible for admission to Veterans Administration facilities for
 20 hospital or domiciliary care; \$24,248,200.

21 Out-patient care: For expenses necessary for furnish-
 22 ing out-patient care to beneficiaries of the Veterans Ad-
 23 ministration, as authorized by law, including not to exceed
 24 ~~\$190,140~~ \$196,000 for expenses of travel of employees;

1 \$92,677,900, of which not exceeding \$23,000,000 shall be
2 available for out-patient *fee basis* dental care: *Provided*, That
3 no part of this appropriation shall be available for out-patient
4 dental services and treatment, or related dental appliances
5 with respect to a service-connected dental disability which is
6 not compensable in degree unless such condition or disability
7 is shown to have been in existence at time of discharge
8 and application for treatment is made within ~~two years after~~
9 ~~separation from active service, or~~ one year after enactment
10 of this Act, ~~whichever is later~~: *Provided*, That this limita-
11 tion shall not apply to adjunct out-patient dental services or
12 appliances for any dental condition associated with and held
13 to be aggravating disability from some other service incurred
14 or service aggravated injury or disease.

15 Maintenance and operation of supply depots: For ex-
16 penses necessary for maintenance and operation of supply
17 depots, including not to exceed ~~\$13,000~~ \$18,200 for expenses
18 of travel of employees, \$1,800,000.

19 Compensation and pensions: For the payment of com-
20 pensation, pensions, gratuities, and allowances (including
21 subsistence allowances authorized by part VII of Veterans
22 Regulation 1a, as amended), authorized under any Act of
23 Congress, or regulation of the President based thereon,
24 including emergency officers' retirement pay and annuities,
25 the administration of which is now or may hereafter be

1 placed in the Veterans Administration, and for the payment
2 of adjusted-service credits as provided in sections 401 and
3 601 of the Act of May 19, 1924, as amended (38 U. S. C.
4 631 and 661), \$2,246,291,000, to be immediately avail-
5 able and to remain available until expended.

6 Readjustment benefits: For the payment of benefits to
7 or on behalf of veterans as authorized by titles II, III, and
8 V, of the Servicemen's Readjustment Act of 1944, as
9 amended, and title II of the Veterans Readjustment Assist-
10 ance Act of 1952, \$664,311,000, to be immediately avail-
11 able and to remain available until expended: *Provided*,
12 That from September 1, 1953, to June 30, 1954, no part of
13 any appropriation to the Veterans Administration shall be
14 available, in connection with any loan authorized by title
15 III of the Servicemen's Readjustment Act of 1944, as
16 amended (38 U. S. C. 694-694n), for payment to the
17 lender by the Administrator of Veterans Affairs, or for
18 credit on the loan, of an amount equivalent to 4 per centum
19 of the amount originally loaned, guaranteed or insured by
20 the Veterans Administration: *Provided further*, That no right
21 to any such payment shall accrue during this period, but
22 the foregoing proviso shall not apply with respect to pay-
23 ments based on guarantees made, or certificates of commit-
24 ments issued, prior to said date *or commitments for loans*
25 *made by the Veterans' Administration: Provided further*,

1 *That under any contract between a State, or any political*
2 *subdivision of a State, and the Veterans' Administration*
3 *providing for the furnishing of instruction in a course of*
4 *institutional on-farm or other training under part VIII of*
5 *Veterans Regulation Numbered 1 (a), as amended (Public*
6 *Law 346, Seventy-eight Congress, as amended) liability*
7 *authorized by this section by reason of payments of subsistence*
8 *allowance which were illegal because of failure of the veteran*
9 *or the course to comply with the applicable statutory, regula-*
10 *tory or contractual requirements shall not be applied to the*
11 *contracting State, or political subdivision, unless the Adminis-*
12 *trator of Veterans' Affairs, after investigation, finds that an*
13 *employee or representative of such State, or political sub-*
14 *division, conspired with the veteran by, or was guilty of*
15 *fraud or gross negligence in, falsely reporting to the Veterans'*
16 *Administration that the veteran was in a proper course of*
17 *training, failing to report unauthorized or excessive absences*
18 *from, or interruption or discontinuance of, his course of*
19 *training, or not discovering the failure of the veteran to*
20 *comply with the applicable statutory, regulatory, or con-*
21 *tractual requirements and not promptly terminating the*
22 *course of training of the veteran. The provisions of this*
23 *proviso shall be effective as of July 13, 1950, but shall not*
24 *require repayment of any funds heretofore properly re-*
25 *covered by agreement of the parties to any such contract,*

1 *and shall not be applicable to any other liabilities or agree-*
2 *ments pursuant to such contract.*

3 Military and naval insurance: For military and naval
4 insurance, \$1,496,000, to remain available until expended.

5 Hospital and domiciliary facilities: For hospital and
6 domiciliary facilities, for *planning for* extending, with the
7 approval of the President, any of the facilities under the
8 jurisdiction of the Veterans Administration or for any of
9 the purposes set forth in sections 1 and 2 of the Act approved
10 March 4, 1931 (38 U. S. C. 438j-k) or in section 101 of
11 the Servicemen's Readjustment Act of 1944 (38 U. S. C.
12 693a), to remain available until expended, \$48,867,000
13 ~~\$2,500,000: Provided,~~ That no part of the foregoing appro-
14 priation shall be used to commence any major alteration,
15 improvement, or repair unless funds are available for the
16 completion of such work; and no funds shall be used for such
17 work at any facility if the Veterans Administration is rea-
18 sonably certain that the installation will be abandoned in
19 the near future: *Provided further,* That not to exceed 5.5
20 per centum of the amounts available under this head shall
21 be available for the employment of all necessary technical
22 and clerical personnel for the preparation of plans and speci-
23 fications for the projects as approved hereunder and in the
24 supervision of the execution thereof, and for all travel
25 expenses, field office equipment, and supplies in connection

1 therewith, except that whenever the Veterans Administra-
2 tion finds it necessary in the construction of any project to
3 employ other Government agencies or persons outside the
4 Federal service to perform such services not to exceed 9 per
5 centum of the cost of such projects may be expended for
6 such services.

7 Hospital and domiciliary facilities (liquidation of con-
8 tract authorization) : For payment of obligations heretofore
9 authorized to be incurred under this head, \$21,185,664, to
10 remain available until expended.

11 National service life insurance: For the payment of
12 benefits and for transfer to the national service life insurance
13 fund, in accordance with the National Service Life Insurance
14 Act of 1940, as amended, \$75,000,000, to remain available
15 until expended: *Provided*, That certain premiums shall be
16 credited to this appropriation as provided by the Act.

17 Servicemen's indemnities: For payment of liabilities
18 under the Servicemen's Indemnity Act of 1951, \$18,000,-
19 000, to remain available until expended.

20 Veterans miscellaneous benefits: For the payment of
21 burial awards authorized by Veterans Administration Regu-
22 lation Numbered 9 (a), as amended, and for supplies, equip-
23 ment, and tuition authorized by part VII and payments
24 authorized by part IX of Veterans Administration Regula-

tion Numbered 1 (a), as amended, \$35,743,000, to remain available until expended.

Grants to the Republic of the Philippines: For payment to the Republic of the Philippines of grants in accordance with the Act of July 1, 1948 (50 U. S. C. App. 1991-1996), for expenses incident to medical care and treatment of veterans, \$1,731,000, and in addition thereto not exceeding \$769,000 of the unobligated balance for this purpose for the fiscal year 1953.

Supply fund: For establishment of a revolving supply fund effective July 1, 1953, to be available without fiscal year limitation for all expenses necessary for the operation and maintenance of a supply system for the Veterans Administration including procurement of supplies and equipment, and personal services, the Administrator is authorized to capitalize, at fair and reasonable values as determined by him, all supplies and materials and depot stocks of equipment on hand or on order: *Provided*, That the fund shall be (1) reimbursed for the cost of all services, equipment and supplies furnished appropriations at rates determined by the Administrator on the basis of estimated or actual direct and indirect cost; (2) credited with advances from appropriations to which services or supplies are to be furnished, and all other receipts resulting from the operation of the fund in-

1 cluding the proceeds of disposal of scrap, excess or surplus
2 personal property of the fund, and receipts from carriers and
3 others for loss of or damage to personal property: *Provided*
4 *further*, That following the close of each fiscal year any net
5 income after making provision for prior losses, if any, shall
6 be covered into the Treasury of the United States as mis-
7 cellaneous receipts: *Provided further*, That an adequate sys-
8 tem of accounts for the fund shall be maintained on the
9 accrual method and financial reports prepared on the basis
10 of such accounts, and that an annual business type budget
11 shall be prepared for the operations under this fund.

12 Not to exceed 5 per centum of any appropriation for the
13 current fiscal year for "Compensation and pensions", "Re-
14 adjustment benefits", "Military and naval insurance", "Na-
15 tional service life insurance", and "Servicemen's indemni-
16 ties", may be transferred, to any other of the mentioned
17 appropriations, *but not to exceed 10 per centum of the appro-*
18 *priation so augmented.*

19 Appropriations available to the Veterans Administra-
20 tion for the current fiscal year for salaries and expenses
21 shall be available for services as authorized by section 15
22 of the Act of August 2, 1946 (5 U. S. C. 55a).

23 Appropriations available to the Veterans Administra-
24 tion for the current fiscal year for "Maintenance and opera-
25 tion of hospitals", "Maintenance and operation of domiciliary

1 facilities", and "Out-patient care", shall be available for fu-
2 neral, burial, and other expenses incidental thereto (except
3 burial awards authorized by Veterans Administration Regu-
4 lation Numbered 9 (a), as amended), for beneficiaries of
5 the Veterans Administration receiving care under such
6 appropriations.

7 No part of the appropriations in this Act for the Vet-
8 erans Administration (except the appropriation for "Hos-
9 pital and domiciliary facilities") shall be available for the
10 purchase of any site for or toward the construction of any
11 new hospital or home.

12 Appropriations in this Act for the Veterans Adminis-
13 tration for "Maintenance and operation of hospitals" and
14 "Maintenance and operation of domiciliary facilities" may
15 be used to repair, alter, improve, or provide facilities in the
16 several hospitals and homes under the jurisdiction of the
17 Veterans Administration, not otherwise provided for, either
18 by contract, or by the hire of temporary employees and the
19 purchase of materials.

20 No part of the foregoing appropriations shall be avail-
21 able for hospitalization or examination of any persons except
22 beneficiaries entitled under the laws bestowing such benefits
23 to veterans, unless reimbursement of cost is made to the ap-
24 propriation at such rates as may be fixed by the Administra-
25 tor of Veterans Affairs.

1 The Administrator of Veterans Affairs is hereby author-
2 ized, in his discretion, to activate and operate at reasonable
3 standards throughout the fiscal year 1954 those beds which
4 are needed and which can be staffed, in the following
5 categories: (a) all beds in Veterans Administration hos-
6 pital and domiciliary facilities and all contract beds that were
7 in use during the fiscal year 1953, except those replaced or
8 to be replaced by new construction, (b) all beds in Veterans
9 Administration hospital and domiciliary facilities and all con-
10 tract beds that were closed during the fiscal year 1953, except
11 those replaced or to be replaced by new construction, and
12 (c) all beds in Veterans Administration hospital and domi-
13 ciliary facilities constructed in the fiscal years 1953 and 1954;
14 provided, that the qualified personnel required for the stand-
15 ard operation and maintenance of such beds can be obtained.

16 GENERAL PROVISIONS

17 SEC. 102. The general provisions applicable to appro-
18 priations contained in title I of the "First Independent Offices
19 Appropriation Act, 1954", shall apply to appropriations
20 contained in this Act, excepting the Tennessee Valley
21 Authority: *Provided*, That the provisions of Section 102
22 of such Act shall not apply to travel performed by ~~members~~
23 ~~of local draft boards~~ *uncompensated officials of local boards*
24 *and appeal boards* of the Selective Service System.

25 SEC. 103. No part of any appropriation contained

1 in this Act, or of the funds available for expenditure by any
2 corporation included in this Act, shall be used to pay the
3 salary or wages of any person who engages in a strike
4 against the Government of the United States or who is a
5 member of an organization of Government employees that
6 asserts the right to strike against the Government of the
7 United States, or who advocates, or is a member of an
8 organization that advocates, the overthrow of the Govern-
9 ment of the United States by force or violence: *Provided*,
10 That for the purposes hereof an affidavit shall be considered
11 prima facie evidence that the person making the affidavit
12 has not contrary to the provisions of this section engaged in
13 a strike against the Government of the United States, is
14 not a member of an organization of Government employees
15 that asserts the right to strike against the Government of the
16 United States, or that such person does not advocate, and is
17 not a member of an organization that advocates, the over-
18 throw of the Government of the United States by force or
19 violence: *Provided further*, That any person who engages
20 in a strike against the Government of the United States
21 or who is a member of an organization of Government
22 employees that asserts the right to strike against the Govern-
23 ment of the United States, or who advocates, or who is a
24 member of an organization that advocates, the overthrow
25 of the Government of the United States by force or violence

1 and accepts employment the salary or wages for which are
2 paid from any appropriation or fund contained in this Act
3 shall be guilty of a felony and, upon conviction, shall be
4 fined not more than \$1,000 or imprisoned for not more than
5 one year, or both: *Provided further*, That the above penalty
6 clause shall be in addition to, and not in substitution for, any
7 other provisions of existing law.

8 SEC. 104. No part of any appropriation contained in
9 this Act, or of the funds available for expenditure by any
10 corporation or agency included in this Act, shall be used
11 for publicity or propaganda purposes designed to support
12 or defeat legislation pending before the Congress.

13 ~~SEC. 105. (a). No part of the money appropriated by~~
14 ~~this Act to any department, agency, or corporation or~~
15 ~~available for expenditure by any department, agency, or~~
16 ~~corporation which is in excess of 75 per centum of the~~
17 ~~amount required to pay the compensation of all persons~~
18 ~~the budget estimates for personal services heretofore sub-~~
19 ~~mitted to the Congress for the fiscal year 1954 contemplated~~
20 ~~would be employed by such department, agency, or~~
21 ~~corporation during such fiscal year in the performance of—~~

22 ~~(1) functions performed by a person designated as~~
23 ~~an information specialist, information and editorial~~
24 ~~specialist, publications and information coordinator, press~~
25 ~~relations officer or counsel, photographer, radio expert,~~

1 television expert, motion picture expert, or publicity ex-
2 pert, or designated by any similar title, or

3 ~~(2)~~ functions performed by persons who assist
4 persons performing the functions described in ~~(1)~~ in
5 drafting, preparing, editing, typing, duplicating, or dis-
6 seminating public information publications or releases,
7 radio or television scripts, magazine articles, photo-
8 graphs, motion pictures, and similar material,

9 shall be available to pay the compensation of persons per-
10 forming the functions described in ~~(1)~~ or ~~(2)~~.

11 SEC. ~~106~~ 105. This Act may be cited as the "Second
12 Independent Offices Appropriation Act, 1954".

Passed the House of Representatives June 18, 1953.

Attest:

LYLE O. SNADER,

Clerk.

83^d CONGRESS
1ST SESSION

H. R. 5690

[Report No. 502]

AN ACT

Making appropriations for additional independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1954, and for other purposes.

JUNE 18 (legislative day, JUNE 8), 1953

Read twice and referred to the Committee on
Appropriations

JULY 8 (legislative day, JULY 6), 1953

Reported with amendments

H. R. 5690

IN THE SENATE OF THE UNITED STATES

JULY 8 (legislative day, JULY 6), 1953

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. SALTONSTALL (for himself and Mr. MAYBANK) to the bill (H. R. 5690) making appropriations for additional independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1954, and for other purposes, viz:

1 On page 15, line 25, after "Administration:", insert the
2 following: "*Provided further*, That under any contract
3 between a State, or any political subdivision of a State, and
4 the Veterans' Administration providing for the furnishing of
5 instruction in a course of institutional on-farm or other train-
6 ing under part VIII of Veterans Regulation Numbered 1
7 (a), as amended (Public Law 346, Seventy-eighth Congress,
8 as amended), liability authorized by this section by reason
9 of payments of subsistence allowance which were illegal
10 because of failure of the veteran or the course to comply

1 with the applicable statutory, regulatory, or contractual
2 requirements shall not be applied to the contracting State,
3 or political subdivision, unless the Administrator of Veterans'
4 Affairs, after investigation, finds that an employee or repre-
5 sentative of such State, or political subdivision, conspired
6 with the veteran by, or was guilty of fraud or gross negli-
7 gence in, falsely reporting to the Veterans' Administration
8 that the veteran was in a proper course of training, failing
9 to report unauthorized or excessive absences from, or inter-
10 ruption or discontinuance of, his course of training, or not
11 discovering the failure of the veteran to comply with the
12 applicable statutory, regulatory, or contractual requirements
13 and not promptly terminating the course of training of the
14 veteran. The provisions of this proviso shall be effective as
15 of July 13, 1950, but shall not require repayment of any
16 funds heretofore properly recovered by agreement of the
17 parties to any such contract, and shall not be applicable to
18 any other liabilities or agreements pursuant to such contract."

83^d CONGRESS
1ST SESSION

H. R. 5690

AMENDMENT

Intended to be proposed by Mr. SALTONSTALL
(for himself and Mr. MAYBANK) to the bill
(H. R. 5690) making appropriations for
additional independent executive bureaus,
boards, commissions, corporations, agencies,
and offices, for the fiscal year ending June 30,
1954, and for other purposes.

JULY 8 (legislative day, JULY 6), 1953

Ordered to lie on the table and to be printed

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued July 9, 1953
For actions of July 8, 1953
83rd-1st, No. 125

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HIGHLIGHTS: Senate debated drought-relief bill. Senate committee reported International Wheat Agreement and measure to carry it out. House Rules Committee cleared drought-relief bill. House committee reported bill designating 50th anniversary of farm demonstration work. House passed bill for education aid in Federal areas.

SENATE

- DROUGHT RELIEF.** Began debate on S. 2267, the drought-relief bill, which had been reported with amendments by the Agriculture and Forestry Committee earlier in the day (S. Rept. 501)(pp. 8409, 8429-31, 8446-64). Agreed to all committee amendments except that one of the amendments, relating to selection of the review committees, was modified (pp. 8454-5). Sen. Kerr presented an amendment to require price supports on beef cattle at 90% of parity (pp. 8455-63). Sen. Griswold offered an amendment to this amendment, to direct purchase of brood cows at 10 cents a pound or more (pp. 8463-4).
- WHEAT.** The Foreign Relations Committee reported without amendment S. J. Res. 97, to carry out the new International Wheat Agreement (p. 8410).
The Committee also reported the Agreement without reservation (p. 8410).
The "Daily Digest" states that the Agriculture and Forestry Committee deferred action on H. R. 5451, regarding wheat marketing quotas, until July 10, when it will "consider the July 1 crop report prior to recommending a minimum national acreage allotment of wheat for 1954 (p. D670).
Sen. Anderson inserted a Washington Post editorial analyzing the wheat-surplus problem (pp. 8465-6).
The Rules and Administration Committee reported without amendment S. Res. 127, authorizing the Agriculture and Forestry Committee to investigate imports of unfit wheat from Canada (S. Rept. 506)(p. 8412).
- APPROPRIATIONS.** The Appropriations Committee reported with amendments H. R. 5690, the second independent offices appropriation bill, which includes funds for Veterans' Administration, Tennessee Valley Authority, and the Selective Service

System (S. Rept. 502)(p. 8412).

4. **TIMBER STATISTICS.** Received from the Commerce Department a proposed bill to repeal the act authorizing the Census Bureau to collect and publish statistics of redcedar shingles; to Post Office and Civil Service Committee (p. 8411).
5. **FLOOD DAMAGE.** Sen. Humphrey inserted an Army letter describing flood damage in Minn. recently (pp. 8422-3).
6. **RURAL-TELEPHONE LOANS.** Sen. Humphrey commended the rural-telephone loans program and inserted USDA questions and answers regarding it (pp. 8423-5).
7. **PERSONNEL.** Sen. Williams stated that dual benefits are accumulated under the Social Security Act and the Civil Service Retirement Act, objected to such procedure, and inserted a Civil Service Commission letter concurring with his objective (pp. 8426-9).
8. **EXPENDITURES.** Sen. Flanders discussed the budget deficit, defended the rise in U. S. bond interest rates and continuation of the excess profits tax, and urged reduction of defense expenditures to balance the budget (pp. 8440-2).
9. **COMMITTEE ASSIGNMENT.** Sen. Hoey, instead of Sen. Johnson of Tex., was excused from the Government Operations Committee (see Digest 124).

HOUSE

10. **DROUGHT RELIEF.** The Rules Committee reported a resolution for consideration of H. R. 6054, to authorize emergency loans and supplies for drought relief (p. 8507).
11. **EXTENSION WORK.** The Judiciary Committee reported without amendment H. J. Res. 161, requesting the President to designate 1953 as the 50th anniversary year of farm demonstration work (H. Rept. 740)(p. 8507).
12. **ELECTRIFICATION.** The Rules Committee reported a resolution for consideration of H. R. 4351, relating to Niagara power development (p. 8507).
13. **EDUCATION.** Passed without amendment H. R. 6049, to provide a temporary program of assistance in school construction in federally affected areas (pp. 8486-504).
14. **FOREIGN TRADE.** The Ways and Means Committee ordered reported (but did not actually report) H. R. 5894, to amend the Trade Agreements Act to provide protection for American farmers, etc., and H. R. 5877, to simplify customs procedures (p. D675).
15. **TAXATION.** The Ways and Means Committee reported without amendment H. R. 5898, to extend the excess-profits tax until Dec. 31, 1953 (H. Rept. 743)(p. 8508).
16. **PERSONNEL.** S. 2324, by Sen. Williams, to prohibit dual coverage under the Social Security Act and the Civil Service Retirement Act; to Finance Committee (p. 8414).
17. **FORESTRY.** S. 2325, by Sen. Anderson, to provide for conveyance of certain lands in the Santa Fe National Forest, N. Mex.; to Agriculture and Forestry Committee (p. 8414).
18. **LEGISLATIVE REPORTS.** H. R. 6160, by Rep. Whitten, to provide a staff to make reports on proposed legislation and to analyze legislative reports from executive

The VICE PRESIDENT. Without objection, the President will be notified forthwith of the confirmation of the nominations.

LEGISLATIVE SESSION

Mr. KNOWLAND. Mr. President, I move that the Senate resume the consideration of legislative business.

The motion was agreed to; and the Senate resumed the consideration of legislative business.

CALL OF THE ROLL

Mr. KNOWLAND. I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Griswold	McClellan
Anderson	Hayden	Millikin
Barrett	Hendrickson	Monroney
Beall	Hennings	Morse
Bennett	Hickenlooper	Mundt
Bricker	Hill	Murray
Bridges	Hoey	Neely
Butler, Md.	Holland	Pastore
Butler, Nebr.	Humphrey	Payne
Byrd	Jackson	Potter
Capehart	Jenner	Purtell
Carlson	Johnson, Colo.	Robertson
Case	Johnson, Tex.	Russell
Chavez	Johnston, S. C.	Saltonstall
Clements	Kefauver	Schoeppel
Cooper	Kennedy	Smathers
Cordon	Kerr	Smith, Maine
Dirksen	Kilgore	Smith, N. J.
Douglas	Knowland	Sparkman
Duff	Kuchel	Stennis
Dworshak	Langer	Symington
Eastland	Lehman	Thye
Ellender	Long	Tobey
Ferguson	Magnuson	Watkins
Flanders	Malone	Welker
George	Mansfield	Wiley
Gillette	Martin	Williams
Goldwater	Maybank	Young
Gore	McCarran	
Green	McCarthy	

Mr. SALTONSTALL. I announce that the Senator from Connecticut [Mr. BUSH] and the Senator from Ohio [Mr. TAFT] are necessarily absent.

The Senator from New York [Mr. Ives] is absent by leave of the Senate, having been appointed a delegate to attend the International Labor Organization Conference at Geneva, Switzerland.

Mr. CLEMENTS. I announce that the Senator from Texas [Mr. DANIEL], the Senator from Arkansas [Mr. FULBRIGHT], and the Senator from Wyoming [Mr. HUNT] are absent by leave of the Senate.

The Senator from Delaware [Mr. FREAR] is absent by leave of the Senate on official committee business.

The VICE PRESIDENT. A quorum is present.

REPEAL OF ACT TO AUTHORIZE DIRECTOR OF THE CENSUS TO COLLECT AND PUBLISH STATISTICS OF REDCEDAR SHINGLES

The VICE PRESIDENT laid before the Senate a letter from the Acting Secretary of Commerce, transmitting a draft of proposed legislation to repeal the act entitled "An act to authorize

the Director of the Census to collect and publish statistics of redcedar shingles, which, with the accompanying papers, was referred to the Committee on Post Office and Civil Service.

BURDEN OF FEDERAL TAXATION—RESOLUTION OF JERSEY CITY (N. J.) CHAMBER OF COMMERCE

Mr. SMITH of New Jersey. Mr. President, on Monday, June 22, the Jersey City Chamber of Commerce, Jersey City, N. J., adopted a resolution on the subject of the burden of Federal taxation.

I ask unanimous consent that the resolution be published in the RECORD and appropriately referred.

There being no objection, the resolution was referred to the Committee on Government Operations, and ordered to be printed in the RECORD, as follows:

Whereas the burden of Federal taxation has grown increasingly heavier and now takes almost a third of the average family's income; and

Whereas the mounting expenditures of the Federal Government have more than used up this heavy taxation to the extent that the Government has proved unable to place its fiscal house in order and balance its budget; and

Whereas these combined high levels of Federal taxation and excessive spending have so expanded the national governmental structure at the expense of the smaller local governmental organs as to make such grassroots organs of government increasingly dependent on Federal handouts rather than democratically self-sufficient: Therefore be it

Resolved, That the Jersey City Chamber of Commerce urge officials of the State of New Jersey to cooperate in the President's program to reduce excessive Federal spending by reviewing all Federal aids and intrastate Federal projects to determine those grants and projects which can be eliminated and thus assist the national administration and Congress to balance the Federal budget and reduce taxes; and be it further

Resolved, That the Jersey City Chamber of Commerce call upon Governor Driscoll to establish a State commission to explore the interrelations of Federal and State taxations, grants, and services with a view to a more equitable reallocation so that the State and smaller units of government may assume a greater responsibility for their own tax collections and public services; and be it further

Resolved, That copies of this resolution be sent to Governor Driscoll, State and National legislators, and the public press.

ADMISSION INTO THE UNITED STATES OF ADDITIONAL REFUGEES—LETTER FROM MINNESOTA COUNCIL OF CATHOLIC WOMEN, MINNEAPOLIS, MINN.

Mr. HUMPHREY. Mr. President, I present for appropriate reference, and ask unanimous consent to have printed in the RECORD, a letter from the Minnesota Council of Catholic Women, Minneapolis, Minn., relating to the admission into the United States of additional refugees.

There being no objection, the letter was referred to the Committee on the Judiciary, and ordered to be printed in the RECORD, as follows:

MINNESOTA COUNCIL OF

CATHOLIC WOMEN,

Minneapolis, Minn., June 27, 1953.

Mr. HUBERT H. HUMPHREY,
United States Senator, State of Minnesota, Washington, D. C.

HONORABLE SIR: The members of the Minnesota Council of Catholic Women respectfully request that you do all in your power, to support the bill known as the Watkins bill, providing for the admittance of several thousand additional refugees. Our organization, representing over 60,000 women in the State of Minnesota, has gone on record in support of this measure. Rest assured, we shall greatly appreciate your cooperation.

With kindest personal regards, I remain,
Sincerely yours,

MARIE M. RYAN,
Executive Secretary.

EQUAL RIGHTS AMENDMENT—LETTER FROM CATHOLIC DAUGHTERS OF AMERICA, NEW YORK, N. Y.

Mr. HUMPHREY. Mr. President, I present for appropriate reference, and ask unanimous consent to have printed in the RECORD, a letter from the Catholic Daughters of America, New York, N. Y., relating to the equal rights amendment.

There being no objection, the letter was ordered to lie on the table and to be printed in the RECORD, as follows:

CATHOLIC DAUGHTERS OF AMERICA,

New York, N. Y., June 29, 1953.

Hon. HUBERT H. HUMPHREY,
Washington, D. C.

DEAR SENATOR: On behalf of 200,000 Catholic Daughters of America, established in 45 States, we hereby register our opposition to the passage of the proposed equal rights amendment, on the grounds that, in its present form, it does not protect the rights already established, and is not the solution for long-range legislation which we have been consistently seeking over a long period of years.

We also request your support of the Watkins bill to provide for the entry into the United States of some 200,000 refugees from behind the Iron Curtain—this from the standpoint of a Christian conscience and the manifestation of the good will of our American people toward those suffering persecution in foreign countries.

Thanking you for your interest, and for the courtesy of an acknowledgment as to your stand on these two legislative measures for the information of our Supreme Directorate, I am,

Respectfully yours,

IRENE C. HAVILAND,
National Chairman of Legislation.

AMENDMENT OF FEDERAL PROPERTY AND ADMINISTRATIVE SERVICES ACT—RESOLUTION OF RAMSEY COUNTY (MINN.) BOARD OF COMMISSIONERS

Mr. HUMPHREY. Mr. President, I present for appropriate reference, and ask unanimous consent to have printed in the RECORD, a resolution adopted by the Ramsey County Board of Commissioners, St. Paul, Minn., on June 29, 1953, favoring the enactment of the bill (H. R. 5605) to amend the Federal Property and Administrative Services Act of 1949 to provide that transfers of real property from certain Government corporations to other Government agencies shall not

operate to remove such real property from local tax rolls.

There being no objection, the resolution was referred to the Committee on Government Operations, and ordered to be printed in the RECORD, as follows:

Whereas prior to 1943 certain property in this county was owned by a private corporation and between 1943 and 1951 by the Defense Plant Corporation, during all of which times real estate taxes were paid thereon; and

Whereas in 1951 this property was transferred by the Defense Plant Corporation to the Navy Department of the United States, since which time no real-estate taxes have been paid thereon; and

Whereas this board believes that such practice ought not to be allowed; and

Whereas it would appear H. R. 5605 of the 83d Congress would have the effect, in part at least, of mitigating such a situation: Now, therefore, be it

Resolved, That we, the Board of County Commissioners of Ramsey County, endorse H. R. 5605 and request that the delegation from this State to the United States Congress use its best efforts to secure the passage of said bill, or one having a similar effect.

EUGENE A. MONICK,
County Auditor.

By JAMES D. SWAN, Jr.,
Executive Secretary.

AMENDMENT OF FEDERAL PROPERTY AND ADMINISTRATIVE SERVICES ACT—RESOLUTION OF CITY COUNCIL OF ST. PAUL, MINN.

Mr. HUMPHREY. Mr. President, I present for appropriate reference, and ask unanimous consent to have printed in the RECORD, a resolution adopted by the City Council of the City of St. Paul, Minn., favoring the enactment of the bill (H. R. 5605) to amend the Federal Property and Administrative Services Act of 1949 to provide that transfers of real property from certain Government corporations to other Government agencies shall not operate to remove such real property from local tax rolls.

There being no objection, the resolution was referred to the Committee on Government Operations, and ordered to be printed in the RECORD, as follows:

Whereas the City Council of the City of St. Paul is aware of the fact that transfer of property from a Federal agency which pays taxes, to an agency that does not, is a vicious and uncalled for practice, producing the exemption from local taxation of the property involved; and

Whereas such practice has actually produced loss of local taxes in this community: Now, therefore be it

Resolved by the Council of City of St. Paul, That it hereby urges passage of H. R. 5605, entitled "A bill to amend the Federal Property and Administrative Services Act of 1949 to provide that transfers of real property from certain Government corporations to other Government agencies shall not operate to remove such real property from local tax rolls"; and be it further

Resolved, That copies of this resolution be forwarded directly by the office of the city clerk to the honorable Senators and Members of the House of Representatives of the United States of America from the State of Minnesota and to the Honorable CLARE E. HOFFMAN, chairman of the House Committee on Gov-

ernment Operations, to which committee of the House the said bill has been referred.

Adopted by the council July 2, 1953.

Approved July 2, 1953.

JOHN E. DAUBNEY,
Mayor.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

Mr. CARLSON, from the Committee on Post Office and Civil Service:

H. R. 4091. A bill to amend the Civil Service Retirement Act of May 29, 1930, so as to make the exclusion from such act of temporary employees of Congress inapplicable to such employees who are appointed at an annual rate of salary; without amendment (Rept. No. 505); and

H. R. 5302. A bill to provide for an additional Assistant Postmaster General in the Post Office Department; without amendment (Rept. No. 503).

By Mr. TOBEY, from the Committee on Interstate and Foreign Commerce, without amendment:

H. R. 4557. A bill to amend section 319 of the Communications Act of 1934 with respect to permits for construction of radio stations (Rept. No. 507);

H. R. 4558. A bill to amend section 309 (c) of the Communications Act of 1934, with respect to the time within which the Federal Communications Commission must act on protests filed thereunder (Rept. No. 508); and

H. R. 4559. A bill to amend section 501 of the Communications Act of 1934, so that any offense punishable thereunder, except a second or subsequent offense, shall constitute a misdemeanor rather than a felony (Rept. No. 509).

By Mr. JENNER, from the Committee on Rules and Administration:

S. Res. 127. Resolution authorizing the Committee on Agriculture and Forestry to make an investigation of the importation of wheat unfit for human consumption; without amendment (Rept. No. 506).

SECOND INDEPENDENT OFFICES APPROPRIATIONS ACT, 1954—REPORT OF A COMMITTEE—NOTICE OF MOTION TO SUSPEND THE RULE—AMENDMENT

Mr. SALTONSTALL. Mr. President, from the Committee on Appropriations, I report favorably with amendments, the bill (H. R. 5690) making appropriations for additional independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1954, and for other purposes, and I submit a report (No. 502) thereon.

The VICE PRESIDENT. The report will be received, and the bill will be placed on the calendar.

Mr. SALTONSTALL. Mr. President, on behalf of the Senator from South Carolina [Mr. MAYBANK] and myself, I submit a notice of motion to suspend the rule for the purpose of offering an amendment to the bill which I have just reported. The Senator from South Carolina and I are not certain that the amendment proposes language which comes within the rule, but for protection we are submitting the notice in writing with the reported bill.

The VICE PRESIDENT. The notice will be received and will be printed in the RECORD.

Mr. SALTONSTALL (for himself and Mr. MAYBANK) submitted the following notice in writing:

In accordance with rule XL of the Standing Rules of the Senate, I hereby give notice in writing that it is our intention to move to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill (H. R. 5690) making appropriations for additional independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1954, and for other purposes, the following amendment, namely: On page 15, line 25, after the word "Administration", insert the following: "Provided further, That under any contract between a State, or any political subdivision of a State, and the Veterans' Administration providing for the furnishing of instruction in a course of institutional on-farm or other training under part VIII of Veterans Regulation No. 1 (a), as amended (Public Law 346, 78th Congress, as amended) liability authorized by this section by reason of payments of subsistence allowance which were illegal because of failure of the veteran or the course to comply with the applicable statutory, regulatory, or contractual requirements shall not be applied to the contracting State, or political subdivision, unless the Administrator of Veterans' Affairs, after investigation, finds that an employee or representative of such State, or political subdivision, conspired with the veteran by, or was guilty of fraud or gross negligence in, falsely reporting to the Veterans' Administration that the veteran was in a proper course of training, failing to report unauthorized or excessive absences from, or interruption or discontinuance of, his course of training, or not discovering the failure of the veteran to comply with the applicable statutory, regulatory, or contractual requirements and not promptly terminating the course of training of the veteran. The provisions of this proviso shall be effective as of July 13, 1950, but shall not require repayment of any funds heretofore properly recovered by agreement of the parties to any such contract, and shall not be applicable to any other liabilities or agreements pursuant to such contract."

Mr. SALTONSTALL (for himself and Mr. MAYBANK) also submitted an amendment intended to be proposed by them, jointly, to House bill 5690 making appropriations for additional independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1954, and for other purposes, which was ordered to lie on the table and to be printed.

(For text of amendment referred to, see the foregoing notice.)

COMMISSION ON AREA PROBLEMS OF GREATER WASHINGTON METROPOLITAN AREA—REPORT OF A COMMITTEE

Mr. JOHNSON of Colorado. Mr. President, from the Committee on Interstate and Foreign Commerce, I report favorable, with amendments, the bill (H. R. 2236) to provide for the establishment of a Commission on Area Problems of the Greater Washington Metropolitan Area, and I submit a report (No. 504) thereon.

By direction of the committee, I ask unanimous consent that the bill be referred to the Committee on the District of Columbia for further consideration.

The VICE PRESIDENT. The report will be received, and without objection, the bill will be referred to the Committee

83D CONGRESS
1ST SESSION

H. R. 5690

IN THE HOUSE OF REPRESENTATIVES

JULY 10, 1953

Ordered to be printed with the amendments of the Senate numbered

AN ACT

Making appropriations for additional independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1954, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That the following sums are appropriated, out of any money
4 in the Treasury not otherwise appropriated, for sundry
5 independent executive bureaus, boards, commissions, cor-
6 porations, agencies, and offices, for the fiscal year ending
7 June 30, 1954, namely:

8 ATOMIC ENERGY COMMISSION

9 Operating expenses: For necessary operating expenses
10 of the Commission in carrying out the purposes of the

1 Atomic Energy Act of 1946, including the employment of
2 aliens; services authorized by section 15 of the Act of August
3 2, 1946 (5 U. S. C. 55a) ; maintenance and operation of
4 aircraft; publication and dissemination of atomic informa-
5 tion; purchase, repair, and cleaning of uniforms; purchase
6 of newspapers and periodicals (not to exceed \$5,000) ; official
7 entertainment expenses (not to exceed \$5,000) ; not to
8 exceed ~~(1)\$2,389,130~~ \$2,739,130 for expenses of travel; re-
9 imbursement of the General Services Administration for secu-
10 rity guard services; not to exceed \$27,352,000 for program
11 direction and administration personnel; and hire of passenger
12 motor vehicles; \$891,781,000, together with the unexpended
13 balances, as of June 30, 1953, of prior year appropriations
14 made available under this head to the Atomic Energy Com-
15 mission: *Provided*, That of such amounts \$100,000 may be
16 expended for objects of a confidential nature and in any
17 such case the certificate of the Commission as to the amount
18 of the expenditure and that it is deemed inadvisable to specify
19 the nature thereof shall be deemed a sufficient voucher for
20 the sum therein expressed to have been expended: *Provided*
21 *further*, That from this appropriation transfers of sums may
22 be made to other agencies of the Government for the per-
23 formance of the work for which this appropriation is made,
24 and in such cases the sums so transferred may be merged
25 with the appropriation to which transferred: *Provided*

1 *further*, That no part of this appropriation shall be used
2 to pay the salary of any officer or employee (except such
3 officers and employees whose compensation is fixed by law,
4 and scientific and technical personnel) whose position would
5 be subject to the Classification Act of 1949, as amended,
6 if such Act were applicable to such position, at a rate in
7 excess of the rate payable under such Act for positions of
8 equivalent difficulty or responsibility: *Provided further*,
9 That no part of this appropriation shall be used in connec-
10 tion with the payment of a fixed fee to any contractor or
11 firm of contractors engaged under a cost-plus-a-fixed-fee
12 contract or contracts at any installation of the Commission,
13 where that fee for community management is at a rate in
14 excess of \$90,000 per annum, or for the operation of a
15 transportation system where that fee is at a rate in excess
16 of \$45,000 per annum (2): *Provided further*, That no
17 part of this appropriation shall be used, pending sale of
18 housing owned by the Atomic Energy Commission or other
19 disposition, to raise the rents or other charges of present
20 occupants above the levels in effect June 1, 1953.

21 Plant and equipment: For expenses of the Commission
22 in connection with the purchase and construction of plant
23 and the acquisition of equipment and other expenses inci-
24 dental thereto necessary in carrying out the purposes of the
25 Atomic Energy Act of 1946, including purchase of land and

1 interests in land; purchase of aircraft; ~~(3)~~ *purchase of five*
2 *hundred and twenty-six passenger-carrying motor vehicles*
3 *(of which four hundred and twenty-six shall be for replace-*
4 *ment) in the event adequate vehicles cannot be obtained by*
5 *transfer from other departments or agencies and hire of pas-*
6 *senger motor vehicles; \$166,000,000, to remain available until*
7 *expended: Provided, That the unexpended balances of prior*
8 *year appropriations made available under this head shall be*
9 *merged with this appropriation: Provided further, That in*
10 *addition to funds allocated for research and development for*
11 ~~(4)~~^a *any reactor which will advance technology towards both*
12 *ship propulsion and the generation of industrial power*
13 *and for design of such atomic power* ~~(5)~~^a ~~reactor~~ *reactors,*
14 *the Commission may expend from funds provided*
15 *under this head such sum as may be necessary,*
16 *not to exceed \$7,000,000, for beginning of construc-*
17 *tion of such* ~~(6)~~^a ~~reactor~~ *reactors, without regard to any other*
18 *provision of this Act: Provided further, That funds ap-*
19 *propriated under this head may, whenever the Commission*
20 *determines a need exists, be used for the construction*
21 *of particle accelerators without regard to any other provision*
22 *of this Act: Provided further, That no part of the foregoing*
23 *appropriation shall be available for the construction of any*
24 *office building, residence, warehouse or similar structure,*
25 *utility, or other specific portion or unit of a project, unless*

1 funds are available **(7)** *at the start of such construction to meet*
 2 *the currently estimated cost* for the completion of such build-
 3 ing, utility, or other specific portion or unit of such project.
 4 The foregoing proviso shall not be construed to prevent the
 5 purchase of land for any project, the construction of any new
 6 building or procurement of any machinery, equipment or
 7 materials therefor, nor any utility nor any portion or unit
 8 of a specific project if the funds are available to pay the cost
 9 of such land, the cost of such building, machinery, equip-
 10 ment or materials, or the cost of such utility or the cost of
 11 any such specific portion or unit of such project: *Provided*
 12 *further*, That no part of this appropriation shall be used—

13 (A) to start any new construction project for which
 14 an estimate was not included in the budget for the cur-
 15 rent fiscal year; and

16 (B) to start any new construction project the cur-
 17 rently estimated cost of which exceeds by thirty-five per
 18 centum the estimated cost included therefor in such
 19 budget **(8)**: *Provided further*, That the foregoing proviso
 20 shall not apply to any project for the alteration, extension,
 21 or improvement of technical or production facilities unless
 22 such project includes the construction of a new building
 23 estimated to cost in excess of \$100,000 **(9)**: *Provided fur-*
 24 *ther*, That the Commission is authorized to transfer not to
 25 exceed \$10,000,000 to the Bureau of Public Roads, De-

1 *partment of Commerce, to provide for construction of*
2 *access roads to the Pike County, Ohio, plant and to the*
3 *Arco, Idaho, plant of the Commission.*

4 No part of the appropriations herein made to the Atomic
5 Energy Commission shall be available for payments under
6 any contract hereafter negotiated without advertising by the
7 Commission, except contracts with any foreign government
8 or any agency thereof and contracts for source material with
9 foreign producers, unless such contract includes a clause
10 to the effect that the Comptroller General of the United
11 States or any of his duly authorized representatives shall
12 until the expiration of three years after final payment have
13 access to and the right to examine any directly pertinent
14 books, documents, papers, and records of the contractor or
15 any of his subcontractors engaged in the performance of and
16 involving transactions related to such contracts or subcon-
17 tracts: *Provided*, That no part of such appropriations shall
18 be available for payments under any such contract which
19 includes any provision precluding an audit by the General
20 Accounting Office of any transaction under such contract.

21 Any appropriation available under this Act or hereto-
22 fore made to the Atomic Energy Commission may initially
23 be used during the fiscal year 1954 to finance the procure-
24 ment of materials, services, or other costs which are a
25 part of work or activities for which funds have been pro-

1 vided in any other appropriation available to the Com-
2 mission: *Provided*, That appropriate transfers or adjustments
3 between such appropriations shall subsequently be made for
4 such costs on the basis of actual application determined in
5 accordance with generally accepted accounting principles.
6 **(10)** *Not to exceed 5 per centum of any appropriation under*
7 *this head may be transferred to any other such appropriation*
8 *but no such appropriation shall be increased by more than 5*
9 *per centum by any such transfers, and any such transfers*
10 *shall be reported promptly to the appropriations committees*
11 *of the House and Senate.*

12 No part of any appropriation herein made to the Atomic
13 Energy Commission shall be used to confer a fellowship
14 on any person who advocates or who is a member of an
15 organization or party that advocates the overthrow of the
16 Government of the United States by force or violence or with
17 respect to whom the Commission finds, upon investigation
18 and report by the Civil Service Commission on the character,
19 associations, and loyalty of whom, that reasonable grounds
20 exist for belief that such person is disloyal to the Government
21 of the United States: *Provided*, That any person who advo-
22 cates or who is a member of an organization or party that
23 advocates the overthrow of the Government of the United
24 States by force or violence and accepts employment or a
25 fellowship the salary, wages, stipend, grant, or expenses for

1 which are paid from any appropriation contained herein
2 shall be guilty of a felony and, upon conviction, shall be
3 fined not more than \$1,000 or imprisoned for not more than
4 one year, or both: *Provided further*, That the above penal
5 clause shall be in addition to, and not in substitution for, any
6 other provisions of existing law.

7 SELECTIVE SERVICE SYSTEM

8 SALARIES AND EXPENSES

9 For expenses necessary for the operation and mainte-
10 nance of the Selective Service System, as authorized by title
11 I of the Universal Military Training and Service Act (62
12 Stat. 604), as amended, including services as authorized by
13 section 15 of the Act of August 2, 1946 (5 U. S. C. 55a) ;
14 not to exceed \$250 for the purchase of newspapers and pe-
15 riodicals; not to exceed \$80,000 for expenses of travel, Na-
16 tional Administration, Planning, Training, and Records Man-
17 agement; not to exceed \$200,000 for expenses of travel,
18 State Administration, Planning, Training, and Records Serv-
19 icing; \$92,500 for the National Selective Service Appeal
20 Board, of which not to exceed \$3,875 shall be available for
21 expenses of travel; and \$265,000 for the National Advisory
22 Committee on the Selection of Doctors, Dentists, and Allied
23 Specialists, of which not to exceed \$35,000 shall be avail-
24 able for expenses of travel; \$29,882,400: *Provided*, That
25 during the current fiscal year, the President may exempt

1 this appropriation from the provisions of subsection (c) of
2 section 3679 of the Revised Statutes, as amended, whenever
3 he deems such action to be necessary in the interest of
4 national defense.

5 Appropriations for the Selective Service System may be
6 used for the destruction of records accumulated under the
7 Selective Training and Service Act of 1940, as amended,
8 which are hereby authorized to be destroyed by the Director
9 of Selective Service after compliance with the procedures for
10 the destruction of records prescribed pursuant to the Records
11 Disposal Act of 1943, as amended (44 U. S. C. 366-380) :
12 *Provided*, That no records may be transferred to any other
13 agency without the approval of the Director of Selective
14 Service.

15 TENNESSEE VALLEY AUTHORITY

16 For the purpose of carrying out the provisions of the
17 Tennessee Valley Authority Act of 1933, as amended (16
18 U. S. C., ch. 12A), including purchase (not to exceed one)
19 and hire, maintenance, and operation of aircraft, and hire of
20 passenger motor vehicles, \$188,371,000, to remain available
21 until expended, and to be available for the payment of obliga-
22 tions chargeable against prior appropriations: *Provided*, That
23 no funds appropriated for the Tennessee Valley Authority by
24 this paragraph shall be used for the maintenance or operation

1 of any aircraft for passenger service that is not specifically
 2 confined to the active operation of the official business of the
 3 Tennessee Valley Authority by officers or employees of such
 4 Authority, and not to exceed \$773,000 (exclusive of travel
 5 for work in connection with the construction of transmission
 6 lines, dams, and steam plants) of funds available to the
 7 Tennessee Valley Authority shall be used for expenses of
 8 travel: *Provided further*, That no part of funds available for
 9 expenditure by this agency shall be used, directly or in-
 10 directly, to acquire a building for use as an administrative
 11 office of the Tennessee Valley Authority (11) so long as the
 12 amount appropriated annually for the construction of power
 13 facilities exceeds the amount deposited annually in the Treas-
 14 ury for repayment of the investment of the Federal Govern-
 15 ment in the power facilities of the Authority until the Director
 16 of the Bureau of the Budget makes a study and report with
 17 recommendations not later than January 1, 1954, to the
 18 appropriations committees of the House and Senate on the
 19 advisability and feasibility of the acquisition of said build-
 20 ing (12):—*Provided further*, That no funds available for
 21 expenditure by this agency shall be used for the payment of
 22 the salary of any employee in the District of Columbia at a
 23 rate in excess of \$8,000 per annum.
 24 (13) Resource development programs: \$1,350,000 for re-

1 *source development programs pursuant to the Tennessee Val-*
 2 *ley Authority Act of 1933, as amended.*

3 REDUCTION IN APPROPRIATION

4 The sum of \$66,000 heretofore appropriated for con-
 5 struction of a combination fertilizer facility is hereby carried
 6 to the surplus fund and covered into the Treasury immediately
 7 upon the approval of this Act.

8 VETERANS ADMINISTRATION

9 General operating expenses: For necessary operating
 10 expenses of the Veterans Administration, not otherwise pro-
 11 vided for, including expenses incidental to securing employ-
 12 ment for war veterans; not to exceed \$6,000 for newspapers
 13 and periodicals; not to exceed ~~(14)\$2,675,720~~ \$3,200,000
 14 for expenses of travel of employees; and not to exceed \$43,700
 15 for preparation, shipment, installation, and display of exhibits,
 16 photographic displays, moving pictures, and other visual
 17 educational information and descriptive material, including
 18 purchase or rental of equipment; \$193,531,000: *Provided,*
 19 *That no part of this appropriation shall be used to pay in*
 20 *excess of twenty-six persons engaged in public relations*
 21 *work: Provided further, That between September 1, 1953,*
 22 *and June 30, 1954, no part of any appropriation shall be*
 23 *used to pay to educational institutions for reports and certifi-*
 24 *cations of attendance at such institutions covering attendance*

1 on or after September 1953 an allowance at a rate in ex-
2 cess of \$1 per month for each eligible veteran enrolled in
3 and attending such institution.

4 Medical administration and miscellaneous operating
5 expenses: For expenses necessary for administration of the
6 medical, hospital, domiciliary, special service, construction
7 and supply, research, and employee education and training
8 activities; expenses necessary for carrying out programs of
9 medical research and of education and training of employees,
10 as authorized by law; repairs, alterations, and improvements
11 of facilities for regional offices and supply depots, as author-
12 ized by law; and not to exceed (15) ~~\$753,800~~ \$856,000 for
13 expenses of travel of employees paid from this appropriation;
14 \$14,870,400.

15 Maintenance and operation of hospitals: For expenses
16 necessary for maintenance and operation of hospitals, includ-
17 ing the furnishing of recreational articles and facilities; not to
18 exceed (16) ~~\$270,000~~ \$305,000 for expenses of travel of em-
19 ployees; and maintenance and operation of farms; \$555,-
20 000,000, including the sum of \$7,000,000 for reimbursable
21 services performed for other government agencies and indi-
22 viduals: *Provided*, That the foregoing appropriation is predi-
23 cated on the staffing and operation of 114,315 beds during
24 the fiscal year 1954, and if a lesser number is provided such

1 appropriation shall be expended only in proportion to the
2 number of beds staffed and operated.

3 Contract hospitalization: For care and treatment of
4 beneficiaries of the Veterans Administration in facilities
5 not under the jurisdiction of the Veterans Administration,
6 as authorized by law, \$20,583,100: *Provided*, That allot-
7 ments and transfers may be made from this appropriation to
8 the Department of Health, Education, and Welfare (Public
9 Health Service), the Army, Navy, Air Force, and Interior
10 Departments, for disbursement by them under the various
11 headings of their applicable appropriations, of such amounts
12 as are necessary for the care and treatment of beneficiaries
13 of the Veterans Administration.

14 Maintenance and operation of domiciliary facilities:
15 For expenses necessary for the maintenance and operation
16 of domiciliary facilities, including recreational articles and
17 facilities, and not to exceed (17)~~\$3,200~~ \$4,800 for expenses
18 of travel of employees; and aid to State or Territorial homes
19 in conformity with the Act approved August 27, 1888, as
20 amended (24 U. S. C. 134), for the support of veterans
21 eligible for admission to Veterans Administration facilities for
22 hospital or domiciliary care; \$24,248,200.

23 Out-patient care: For expenses necessary for furnish-

1 ing out-patient care to beneficiaries of the Veterans Ad-
 2 ministration, as authorized by law, including not to exceed
 3 ~~(18)\$190,440~~ \$196,000 for expenses of travel of employees;
 4 \$92,677,900, of which not exceeding \$23,000,000 shall be
 5 available for out-patient ~~(19)~~fee basis dental care: *Provided,*
 6 That no part of this appropriation shall be available for out-
 7 patient dental services and treatment, or related dental ap-
 8 pliances with respect to a service-connected dental disability
 9 which is not compensable in degree unless such condition or
 10 disability is shown to have been in existence at time of dis-
 11 charge and application for treatment is made within ~~(20)two~~
 12 ~~years after separation from active service, or~~ one year after
 13 enactment of this Act ~~(21),—whichever is later:~~ *Provided,*
 14 That this limitation shall not apply to adjunct out-patient
 15 dental services or appliances for any dental condition as-
 16 sociated with and held to be aggravating disability from some
 17 other service incurred or service aggravated injury or disease.

18 Maintenance and operation of supply depots: For ex-
 19 penses necessary for maintenance and operation of supply
 20 depots, including not to exceed ~~(22)\$13,000~~ \$18,200 for
 21 expenses of travel of employees, \$1,800,000.

22 Compensation and pensions: For the payment of com-
 23 pensation, pensions, gratuities, and allowances (including
 24 subsistence allowances authorized by part VII of Veterans
 25 Regulation 1a, as amended), authorized under any Act of

1 Congress, or regulation of the President based thereon,
2 including emergency officers' retirement pay and annuities,
3 the administration of which is now or may hereafter be
4 placed in the Veterans Administration, and for the payment
5 of adjusted-service credits as provided in sections 401 and
6 601 of the Act of May 19, 1924, as amended (38 U. S. C.
7 631 and 661), \$2,246,291,000, to be immediately avail-
8 able and to remain available until expended.

9 Readjustment benefits: For the payment of benefits to
10 or on behalf of veterans as authorized by titles II, III, and
11 V, of the Servicemen's Readjustment Act of 1944, as
12 amended, and title II of the Veterans Readjustment Assist-
13 ance Act of 1952, \$664,311,000, to be immediately avail-
14 able and to remain available until expended: *Provided*,
15 That from September 1, 1953, to June 30, 1954, no part of
16 any appropriation to the Veterans Administration shall be
17 available, in connection with any loan authorized by title
18 III of the Servicemen's Readjustment Act of 1944, as
19 amended (38 U. S. C. 694-694n), for payment to the
20 lender by the Administrator of Veterans Affairs, or for
21 credit on the loan, of an amount equivalent to 4 per centum
22 of the amount originally loaned, guaranteed or insured by
23 the Veterans Administration: *Provided further*, That no right
24 to any such payment shall accrue during this period, but the
25 foregoing proviso shall not apply with respect to payments

1 based on guarantees made, or certificates of commitments is-
2 sued, prior to said date (23) or commitments for loans made
3 by the Veterans' Administration (24): Provided further,
4 That under any contract between a State, or any political
5 subdivision of a State, and the Veterans' Administration
6 providing for the furnishing of instruction in a course of
7 institutional on-farm or other training under part VIII of
8 Veterans Regulation Numbered 1 (a), as amended (Public
9 Law 346, Seventy-eighth Congress, as amended) liability
10 authorized by this section by reason of payments of subsistence
11 allowance which were illegal because of failure of the veteran
12 or the course to comply with the applicable statutory, regula-
13 tory or contractual requirements shall not be applied to the
14 contracting State, or political subdivision, unless the Adminis-
15 trator of Veterans' Affairs, after investigation, finds that an
16 employee or representative of such State, or political sub-
17 division, conspired with the veteran by, or was guilty of
18 fraud or gross negligence in, falsely reporting to the Veterans'
19 Administration that the veteran was in a proper course of
20 training, failing to report unauthorized or excessive absences
21 from, or interruption or discontinuance of, his course of
22 training, or not discovering the failure of the veteran to
23 comply with the applicable statutory, regulatory, or con-
24 tractual requirements and not promptly terminating the
25 course of training of the veteran. The provisions of this

1 *proviso shall be effective as of July 13, 1950, but shall not*
 2 *require repayment of any funds heretofore properly re-*
 3 *covered by agreement of the parties to any such contract,*
 4 *and shall not be applicable to any other liabilities or agree-*
 5 *ments pursuant to such contract.*

6 Military and naval insurance: For military and naval
 7 insurance, \$1,496,000, to remain available until expended.

8 Hospital and domiciliary facilities: For hospital and
 9 domiciliary facilities, for ~~(25)~~*planning for* extending, with
 10 the approval of the President, any of the facilities under the
 11 jurisdiction of the Veterans Administration or for any of
 12 the purposes set forth in sections 1 and 2 of the Act approved
 13 March 4, 1931 (38 U. S. C. 438j-k) or in section 101 of
 14 the Servicemen's Readjustment Act of 1944 (38 U. S. C.
 15 693a), to remain available until expended, ~~(26)~~\$48,-
 16 ~~867,000~~ \$2,500,000 ~~(27)~~*:-Provided, That no part of*
 17 *the foregoing appropriation shall be used to commence*
 18 *any major alteration, improvement, or repair unless funds*
 19 *are available for the completion of such work; and no*
 20 *funds shall be used for such work at any facility if the*
 21 *Veterans Administration is reasonably certain that the*
 22 *installation will be abandoned in the near future:- Pro-*
 23 *vided further, That not to exceed 5.5 per centum of*
 24 *the amounts available under this head shall be avail-*
 25 *able for the employment of all necessary technical and*

1 clerical personnel for the preparation of plans and speci-
2 fications for the projects as approved hereunder and in the
3 supervision of the execution thereof, and for all travel
4 expenses, field office equipment, and supplies in connection
5 therewith, except that whenever the Veterans Administra-
6 tion finds it necessary in the construction of any project to
7 employ other Government agencies or persons outside the
8 Federal service to perform such services not to exceed 9 per
9 centum of the cost of such projects may be expended for
10 such services.

11 Hospital and domiciliary facilities (liquidation of con-
12 tract authorization) : For payment of obligations heretofore
13 authorized to be incurred under this head, \$21,185,664, to
14 remain available until expended.

15 National service life insurance: For the payment of
16 benefits and for transfer to the national service life insurance
17 fund, in accordance with the National Service Life Insurance
18 Act of 1940, as amended, \$75,000,000, to remain available
19 until expended: *Provided*, That certain premiums shall be
20 credited to this appropriation as provided by the Act.

21 Servicemen's indemnities: For payment of liabilities
22 under the Servicemen's Indemnity Act of 1951, \$18,000,-
23 000, to remain available until expended.

24 Veterans miscellaneous benefits: For the payment of
25 burial awards authorized by Veterans Administration Regu-

1 lation Numbered 9 (a), as amended, and for supplies, equip-
2 ment, and tuition authorized by part VII and payments
3 authorized by part IX of Veterans Administration Regula-
4 tion Numbered 1 (a), as amended, \$35,743,000, to remain
5 available until expended.

6 Grants to the Republic of the Philippines: For payment
7 to the Republic of the Philippines of grants in accordance
8 with the Act of July 1, 1948 (50 U. S. C. App. 1991-
9 1996), for expenses incident to medical care and treatment
10 of veterans, \$1,731,000, and in addition thereto not exceed-
11 ing \$769,000 of the unobligated balance for this purpose for
12 the fiscal year 1953.

13 Supply fund: For establishment of a revolving supply
14 fund effective July 1, 1953, to be available without fiscal
15 year limitation for all expenses necessary for the operation
16 and maintenance of a supply system for the Veterans Ad-
17 ministration including procurement of supplies and equip-
18 ment, and personal services, the Administrator is authorized
19 to capitalize, at fair and reasonable values as determined by
20 him, all supplies and materials and depot stocks of equip-
21 ment on hand or on order: *Provided*, That the fund shall be
22 (1) reimbursed for the cost of all services, equipment and
23 supplies furnished appropriations at rates determined by the
24 Administrator on the basis of estimated or actual direct and
25 indirect cost; (2) credited with advances from appropria-

1 tions to which services or supplies are to be furnished, and
2 all other receipts resulting from the operation of the fund in-
3 cluding the proceeds of disposal of scrap, excess or surplus
4 personal property of the fund, and receipts from carriers and
5 others for loss of or damage to personal property: *Provided*
6 *further*, That following the close of each fiscal year any net
7 income after making provision for prior losses, if any, shall
8 be covered into the Treasury of the United States as mis-
9 cellaneous receipts: *Provided further*, That an adequate sys-
10 tem of accounts for the fund shall be maintained on the
11 accrual method and financial reports prepared on the basis
12 of such accounts, and that an annual business type budget
13 shall be prepared for the operations under this fund.

14 Not to exceed 5 per centum of any appropriation for the
15 current fiscal year for "Compensation and pensions", "Re-
16 adjustment benefits", "Military and naval insurance", "Na-
17 tional service life insurance", and "Servicemen's indemni-
18 ties", may be transferred, to any other of the mentioned
19 appropriations (28), *but not to exceed 10 per centum of the*
20 *appropriation so augmented.*

21 Appropriations available to the Veterans Administra-
22 tion for the current fiscal year for salaries and expenses
23 shall be available for services as authorized by section 15
24 of the Act of August 2, 1946 (5 U. S. C. 55a).

25 Appropriations available to the Veterans Administra-

tion for the current fiscal year for “Maintenance and operation of hospitals”, “Maintenance and operation of domiciliary facilities”, and “Out-patient care”, shall be available for funeral, burial, and other expenses incidental thereto (except burial awards authorized by Veterans Administration Regulation Numbered 9 (a), as amended), for beneficiaries of the Veterans Administration receiving care under such appropriations.

No part of the appropriations in this Act for the Veterans Administration (except the appropriation for “Hospital and domiciliary facilities”) shall be available for the purchase of any site for or toward the construction of any new hospital or home.

Appropriations in this Act for the Veterans Administration for “Maintenance and operation of hospitals” and “Maintenance and operation of domiciliary facilities” may be used to repair, alter, improve, or provide facilities in the several hospitals and homes under the jurisdiction of the Veterans Administration, not otherwise provided for, either by contract, or by the hire of temporary employees and the purchase of materials.

No part of the foregoing appropriations shall be available for hospitalization or examination of any persons except beneficiaries entitled under the laws bestowing such benefits to veterans, unless reimbursement of cost is made to the ap-

1 appropriation at such rates as may be fixed by the Administra-
2 tor of Veterans Affairs.

3 The Administrator of Veterans Affairs is hereby author-
4 ized, in his discretion, to activate and operate at reasonable
5 standards throughout the fiscal year 1954 those beds which
6 are needed and which can be staffed, in the following
7 categories: (a) all beds in Veterans Administration hos-
8 pital and domiciliary facilities and all contract beds that were
9 in use during the fiscal year 1953, except those replaced or
10 to be replaced by new construction, (b) all beds in Veterans
11 Administration hospital and domiciliary facilities and all con-
12 tract beds that were closed during the fiscal year 1953, except
13 those replaced or to be replaced by new construction, and
14 (c) all beds in Veterans Administration hospital and domi-
15 ciliary facilities constructed in the fiscal years 1953 and 1954;
16 provided, that the qualified personnel required for the stand-
17 ard operation and maintenance of such beds can be obtained.

18 GENERAL PROVISIONS

19 SEC. 102. The general provisions applicable to appro-
20 priations contained in title I of the "First Independent Offices
21 Appropriation Act, 1954", shall apply to appropriations
22 contained in this Act, excepting the Tennessee Valley
23 Authority: *Provided*, That the provisions of Section 102 of
24 such Act shall not apply to travel performed by ~~(29)members~~

1 ~~of local draft boards~~ *uncompensated officials of local boards*
2 *and appeal boards* of the Selective Service System.

3 SEC. 103. No part of any appropriation contained
4 in this Act, or of the funds available for expenditure by any
5 corporation included in this Act, shall be used to pay the
6 salary or wages of any person who engages in a strike
7 against the Government of the United States or who is a
8 member of an organization of Government employees that
9 asserts the right to strike against the Government of the
10 United States, or who advocates, or is a member of an
11 organization that advocates, the overthrow of the Govern-
12 ment of the United States by force or violence: *Provided,*
13 That for the purposes hereof an affidavit shall be considered
14 prima facie evidence that the person making the affidavit
15 has not contrary to the provisions of this section engaged in
16 a strike against the Government of the United States, is
17 not a member of an organization of Government employees
18 that asserts the right to strike against the Government of the
19 United States, or that such person does not advocate, and is
20 not a member of an organization that advocates, the over-
21 throw of the Government of the United States by force or
22 violence: *Provided further,* That any person who engages
23 in a strike against the Government of the United States
24 or who is a member of an organization of Government

1 employees that asserts the right to strike against the Govern-
2 ment of the United States, or who advocates, or who is a
3 member of an organization that advocates, the overthrow
4 of the Government of the United States by force or violence
5 and accepts employment the salary or wages for which are
6 paid from any appropriation or fund contained in this Act
7 shall be guilty of a felony and, upon conviction, shall be
8 fined not more than \$1,000 or imprisoned for not more than
9 one year, or both: *Provided further*, That the above penalty
10 clause shall be in addition to, and not in substitution for, any
11 other provisions of existing law.

12 SEC. 104. No part of any appropriation contained in
13 this Act, or of the funds available for expenditure by any
14 corporation or agency included in this Act, shall be used
15 for publicity or propaganda purposes designed to support
16 or defeat legislation pending before the Congress.

17 ~~(30)SEC. 105. (a)~~ No part of the money appropriated by
18 this Act to any department, agency, or corporation or
19 available for expenditure by any department, agency, or
20 corporation which is in excess of 75 per centum of the
21 amount required to pay the compensation of all persons
22 the budget estimates for personal services heretofore sub-
23 mitted to the Congress for the fiscal year 1954 contemplated
24 would be employed by such department, agency, or
25 corporation during such fiscal year in the performance of—

~~(1)~~ functions performed by a person designated as an information specialist, information and editorial specialist, publications and information coordinator, press relations officer or counsel, photographer, radio expert, television expert, motion picture expert, or publicity expert, or designated by any similar title, or

~~(2)~~ functions performed by persons who assist persons performing the functions described in ~~(1)~~ in drafting, preparing, editing, typing, duplicating, or disseminating public information publications or releases, radio or television scripts, magazine articles, photographs, motion pictures, and similar material,

shall be available to pay the compensation of persons performing the functions described in ~~(1)~~ or ~~(2)~~.

SEC. ~~(31)~~~~406~~ 105. This Act may be cited as the “Second Independent Offices Appropriation Act, 1954”.

Passed the House of Representatives June 18, 1953.

Attest:

LYLE O. SNADER,

Clerk.

Passed the Senate with amendments July 10 (legislative day, July 6), 1953.

Attest:

J. MARK TRICE,

Secretary.

AN ACT

Making appropriations for additional independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1954, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JULY 10, 1953

Ordered to be printed with the amendments of the
Senate numbered

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued July 13, 1953
For actions of July 10 and 11, 1953
83rd-1st, Nos. 127 and 128

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HIGHLIGHTS: House received conference reports on drought-relief and mutual security bills. House Rules Committee cleared FCA-reorganization and customs-simplification bills. House passed bill authorizing surplus-property use for disaster relief. House passed excess-profits tax bill. House committee reported supplemental appropriation bill. Senate passed second independent offices appropriation bill. Senate agreed to investigation of unfit-wheat imports. Senate committee reported wheat-quota bill. Senate leader announced wheat-agreement debate for today.

SENATE - July 10

APPROPRIATIONS. Passed with amendments H. R. 5690, the second independent offices appropriation bill for 1954, which includes funds for the Tennessee Valley Authority, Veterans' Administration, and Selective Service System (pp. 8742-84). Senate conferees were appointed (p. 8784). Agreed to a committee amendment "to clarify the proviso that the cutting off of the 4 percent gratuity on loans to veterans for the purchase or construction of homes, farms and business property by September 1, 1953, would not apply to loans previously made." Agreed to a committee provision that under any contract between a State or its subdivision and the Veterans' Administration for on-farm training, etc., the State or subdivision shall not be liable for disallowed subsistence allowances unless the State or subdivision shared in the blame. Agreed to a modified Cooper amendment to increase funds by \$1,350,000 for resource development by TVA. Rejected a Kefauver amendment increasing TVA by \$30,000,000. The committee report states the following regarding TVA: "The committee directs the Authority by the end of the fiscal year 1954 to turn over to Federal, State, or local governments or public or private agencies the responsibility for continuing their respective parts of the resource development program."

2. WHEAT. The Agriculture and Forestry Committee reported with amendments H. R. 5451, to amend the wheat marketing quota law (S. Rept. 520) (p. 8730). The "Daily Digest" states: "The major amendment approved by the committee would decrease from 66 to 61 million acres the minimum 1954 wheat acreage allotment" (p. D684).

This bill was made the unfinished business (p. 8792).

Agreed, without amendment, to S. Res. 127, to authorize the Agriculture and Forestry Committee to investigate importation of unfit wheat from Canada (p. 8786).

Sen. Knowland announced that it is intended to debate the International Wheat Agreement today (p. 8749).

Foreign

3. FOREIGN TRADE. The Interstate and Commerce Committee reported without amendment S. Con. Res. 40, favoring the placing of the inscription "United States of America" on containers of American-made goods for export (S. Rept. 514)(p.8733).

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4. DROUGHT RELIEF. Received the conference report on H. R. 6054, the drought-relief bill (H. Rept. 769)(pp. 8703-4). The conference substitute in general follows the provisions of the House version. The following were among the actions of the conferees: Inserted "established" before "farmers and stockmen". Struck out the limitation that local loan committees must be appointed from local financing institutions and livestock operators. Adopted the House provision for emergency assistance in furnishing feed and seed except that the specific authorization to waive payment was eliminated. Restored the authority for the Secretary to use any part of the Department in carrying out the bill. Restored the Senate provision on security for loans.
5. FOREIGN AID. Received the conference report on H. R. 5710, to extend and amend the Mutual Security Act (H. Rept. 770)(pp. 8720-6). The conferees agreed upon an authorization of \$5,157,232,500, compared with a House figure of \$4,998,732,500 and a Senate figure of \$5,318,732,500. Agreed to a modified version on use of surplus agricultural commodities requiring that, of the funds authorized, not less than \$100,000,000 and not more than \$250,000,000 "shall be used directly or indirectly, to finance the purchase of surplus agricultural commodities." (The House conferees' statement says the provision for "indirect" financing "is to permit reimbursement of the Commodity Credit Corporation for commodities supplied from its stocks.") Under the modified provision, sale of agricultural surpluses for local currencies is authorized, and such currencies are to be kept in a special U. S. account and may be utilized for the purposes set forth in the legislation without appropriation by Congress; local currencies so acquired may be spent only for the purposes of the Mutual Security Act; and special precautions are to be taken to prevent disposing of surpluses in a manner which would displace normal market arrangements and to insure that maximum use will be made of private trade channels.
6. FCA REORGANIZATION; FOREIGN TRADE; FOOD INSPECTION. The Rules Committee reported resolutions providing for the consideration of H. R. 4353, the FCA reorganization bill; H. R. 5877, the customs-simplification bill; and H. R. 5740, to amend the Federal Food, Drug, and Cosmetic Act, providing for certain authority for factor inspection (p. 8727).
7. RESEARCH. Received from this Department a proposed bill to amend the Bankhead-Jones Act so as to broaden the authority to carry on research under contract; to Agriculture Committee (p. 8727). The Senate received this proposed legislation on July 11; to Agriculture and Forestry Committee (p. 8794).
8. TAXATION. Passed without amendment, 325-77, H. R. 5898, to extend the excess-profits tax until Dec. 31, 1953 (pp. 8665-701).

MEMBERS OF THE UNITED STATES ADVISORY COMMISSION ON EDUCATIONAL EXCHANGE

James L. Morrill: President of the University of Minnesota since 1945; president, University of Wyoming, 1942-45; prior to that taught at Ohio State University; appointed chairman of the Advisory Commission on Educational Exchange, 1951; past president of the Association of Land Grant Colleges.

Mark Starr: Educational director of the International Ladies Garment Workers Union since 1935; member of the board of trustees of the Institute of International Education; in 1946 labor educational consultant to SCAP in Japan; in 1945 member of the United States delegation to UNESCO Conference in London; member of the United States Advisory Commission on Educational Exchange since 1948.

Harold Willis Dodds: President of Princeton since 1933; had been associated with Princeton since 1947; before that taught at Purdue and Western Reserve; executive secretary and editor of National Municipal League from 1920 to 1928; advisor on election procedures for the Governments of Nicaragua and Cuba; member of the President's Advisory Commission on Universal Military Training, 1947, and the President's Commission on Integration of Medical Services to Veterans, 1946, and affiliated with various foundations—Rockefeller, Brookings, and Carnegie Fund for Advancement of Teaching; member of the United States Advisory Commission on Educational Exchange since 1948.

Dr. Martin R. P. McGuire: Professor of Greek and Latin at Catholic University; has been at Catholic University since 1924 and from 1937 to 1948 dean of Graduate School of Arts and Sciences; associate editor of Catholic Historical Review; member of the Board of Foreign Scholarships and advisory body on Fulbright program since 1947; member of the United States Advisory Commission on Educational Exchange since 1948 and chairman of the Committee on Books Abroad since 1952; also member of President's Commission on Higher Education, 1946 to 1948.

Edwin B. Fred: President of the University of Wisconsin; associated with the University of Wisconsin since 1913 as professor of bacteriology; dean of College of Agriculture from 1943 to 1945 and in 1945 became president of that university; member of the United States Advisory Commission on Educational Exchange and the National Science Foundation.

COMMITTEE ON BOOKS ABROAD MEMBERSHIP

Cass Canfield: With Harper & Bros. since 1924; became president in 1931 and chairman of the board of Harpers since 1945; from 1942 to 1943 with the Board of Economic Warfare in Washington; in 1944, in charge of the Division of Economic Warfare at the American Embassy in London; in 1945, Director of the Office of War Information in France.

Robert L. Crowell: Has been with Thomas Y. Crowell, book publishers, since 1931; in 1937 he became president; in 1951 was made a consultant to the State Department and made a survey of the overseas library and book program for the Secretary.

George P. Brett, Jr.: Has been with Macmillan since 1913 and president since 1931. Also a trustee of the Union Savings Bank of New York.

Robert B. Downes: Director of libraries and of the school of library service at University of Illinois since 1943; before that held same position at New York University and before that at the University of North Carolina; president of the American Library Association from 1952 to 1953; in 1948 was a special consultant on libraries to SCAP and in addition to being a member of the Commission on Overseas Libraries is a consultant on evaluation of that program to LIA.

INVESTIGATION OF THE EFFECTS OF WOOL IMPORTS ON DOMESTIC WOOL PRICE-SUPPORT PROGRAM

Mr. HUNT. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a press release by the President, dated July 9, dealing in the main with the effect of wool imports on the domestic wool price-support program.

There being no objection, the release was ordered to be printed in the RECORD, as follows:

THE WHITE HOUSE,
July 9, 1953.

The President today requested the Chairman of the Tariff Commission to institute an investigation of the effects of wool imports on the domestic wool price-support program, as authorized under section 22 of the AAA of 1933, as amended. The President asked the Tariff Commission to report its findings and recommendations as promptly as practicable to permit a decision to be made as early as possible during the 1953 wool marketing season as to whether any action is necessary.

At the same time the President today wrote the Secretary of Agriculture requesting him to supplement the Tariff Commission's investigation by a broader study of the domestic factors which have contributed to the decline in sheep numbers and wool production in the United States. The President stressed the importance of including in the results of such a study constructive suggestions which will promote the development of a sound and prosperous wool industry and at the same time permit an expanding foreign trade.

The text of the President's letter to the Honorable Edgar B. Brossard, Chairman of the United States Tariff Commission, follows:

"DEAR MR. BROSSARD: On June 25, 1953, I wrote you concerning the investigation instituted by the Commission on September 2, 1952, under section 22 of the Agricultural Adjustment Act, as amended, with respect to wool and wool tops. The Commission was directed to keep under continuous review the Department of Agriculture programs for wool and the conditions as they may develop so that it would be in a position to report to me promptly in the event such a report was requested in the future.

"I have been advised by the Secretary of Agriculture that there is reason to believe that wool of sheep subject to duty under paragraphs 1101 (a) and 1102 of the Tariff Act of 1930, carbonized wool of the sheep subject to duty under paragraph 1106 of the said act, or sheep's-wool tops subject to duty under the said paragraph 1106 are being and are practically certain to be imported into the United States under such conditions and in such quantities as to render or tend to render ineffective or materially interfere with the price-support program for wool undertaken by this Department, or to reduce substantially the amount of products processed in the United States from domestic wool. The Department of Agriculture has had to take action to support the price of wool while at the same time there have been relatively large imports.

"The Tariff Commission is directed to institute an investigation and report its findings and recommendations as promptly as practicable to permit a decision to be made as early as possible during the 1953 wool marketing season as to whether any action is necessary under section 22.

"The Commission shall determine whether wool of sheep subject to duty under paragraphs 1101 (a) and 1102 of the Tariff Act of 1930, carbonized wool of the sheep subject to duty under paragraph 1106 of the said act, or sheep's wool tops subject to duty

under the said paragraph 1106 are being or are practically certain to be imported under such conditions and in such quantities as to render or tend to render ineffective or materially interfere with the wool price support program or to reduce substantially the amount of products processed in the United States from domestic wool.

"Simultaneous with this request for an investigation under section 22, I am asking the Secretary of Agriculture to supplement the Tariff Commission's investigation by a broader study of the domestic factors which have contributed to the decline in sheep numbers and wool production in the United States. By such a study we hope to arrive at a solution of the more basic problems of the domestic wool industry, a solution that will promote the development of a sound and prosperous industry and at the same time permit an expanding foreign trade.

"I have asked the Secretary of Agriculture to submit at least a preliminary draft of the findings of such a study by the time the Tariff Commission makes its report under section 22.

"A copy of my letter to the Secretary of Agriculture relative to this investigation is attached, as well as a copy of his letter to me concerning the Tariff Commission's investigation of the wool industry under section 22.

"Sincerely,
"DWIGHT D. EISENHOWER."

The text of the President's letter to the Honorable Ezra Taft Benson, Secretary of Agriculture, follows:

"DEAR MR. SECRETARY: Today I have acted on the recommendation contained in your letter of June 30, 1953, by requesting the United States Tariff Commission to investigate the effects of wool imports on the domestic wool price-support program, as authorized under section 22 of the Agricultural Adjustment Act of 1933, as amended.

"You know my concern and reluctance with respect to any measure which tends to hinder foreign trade. I profoundly believe that the security of our country and the cause of world peace demand that we move toward freer and wider trade with friendly foreign countries. I also believe that a real and permanent solution of the long-term wool problem can be found that is consistent with the expansion of our foreign trade. Any such solution must, in the interests of the United States, depend upon progressive action on the domestic front leading toward a better product, lower costs, and broader markets.

"As a step in this direction, I believe it is desirable that this investigation by the Tariff Commission be supplemented by a broader study of the domestic factors which have contributed to the decline in sheep numbers and wool production in the United States. In this way we may be able, not only to alleviate an immediate situation, but also contribute materially to the solution of the more basic problems of the domestic wool industry. Therefore, I request that the Department of Agriculture immediately take appropriate steps to implement a comprehensive study of this type. It is important that this project not only analyze the retarding factors now at work with respect to United States wool production, but also set forth constructive suggestions which will promote the development of a sound and prosperous domestic wool industry and at the same time permit an expanding foreign trade.

"In order that this study may be of value with respect to the present situation, I request that the findings be available at least in preliminary draft by the time the Tariff Commission makes its report under section 22. When completed, the study would be submitted to the proposed Commission on Foreign Economic Policy for its consideration.

"A copy of my letter to the Chairman of the Tariff Commission requesting an investigation of the wool situation under section 22 is attached.

"Sincerely,

"DWIGHT D. EISENHOWER."

SECOND INDEPENDENT OFFICES APPROPRIATIONS, 1954

The PRESIDING OFFICER (Mr. HENDRICKSON in the chair). The Chair lays before the Senate the unfinished business, House bill 5690, making appropriations for additional independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1954, and for other purposes.

Mr. SALTONSTALL. Mr. President, only one money change is called for by the amendments of the Senate Appropriations Committee. The other changes are in the language of the bill. Therefore, I believe it would be helpful to have the bill read for amendment at this time, and if there are questions regarding the amendments, I shall endeavor to answer them.

I now ask unanimous consent that the bill be read for amendment, with the committee amendments to be first considered.

The PRESIDING OFFICER. Without objection, it is so ordered; and the clerk will proceed to state the amendments of the committee.

The first amendment of the Committee on Appropriations was, under the heading "Atomic Energy Commission," on page 2, line 11, after the word "exceed", to strike out "\$2,389,130" and insert "\$2,739,130."

The amendment was agreed to.

The next amendment was, on page 4, line 2, after the word "aircraft", to insert "purchase of five hundred and twenty-six passenger-carrying motor vehicles (of which four hundred and twenty-six shall be for replacement) in the event adequate vehicles cannot be obtained by transfer from other departments or agencies"; at the beginning of line 12, strike out "a" and insert "any"; in line 14, after the word "power", to strike out "reactor" and insert "reactors"; in line 18, after the word "such", to strike out "reactor" and insert "reactors"; and on page 5, line 2, after the word "available", to insert "at the start of such construction to meet the currently estimated cost."

The amendment was agreed to.

The next amendment was, on page 5, line 20, after the word "budget", to insert a colon and the following additional proviso: "Provided further, That the foregoing proviso shall not apply to any project for the alteration, extension, or improvement of technical or production facilities unless such project includes the construction of a new building estimated to cost in excess of \$100,000."

The amendment was agreed to.

The next amendment was, on page 5, line 24, after the figures "\$100,000", to insert a colon and the following additional proviso: "Provided further, That the Commission is authorized to transfer not to exceed \$10 million to the Bureau of Public Roads, Department of Com-

merce, to provide for construction of access roads to the Pike County, Ohio, plant and to the Arco, Idaho, plant of the Commission."

The amendment was agreed to.

The next amendment was, on page 7, after line 6, to insert:

Not to exceed 5 percent of any appropriation under this head may be transferred to any other such appropriation, but no such appropriation shall be increased by more than 5 percent by any such transfers, and any such transfers shall be reported promptly to the Appropriations Committees of the House and Senate.

The amendment was agreed to.

The next amendment was, under the heading "Tennessee Valley Authority," on page 10, line 12, after the word "Authority", to strike out "so long as the amount appropriated annually for the construction of power facilities exceeds the amount deposited annually in the Treasury for repayment of the investment of the Federal Government in the power facilities of the Authority" and insert "until the Director of the Bureau of the Budget makes a study and report with recommendations not later than January 1, 1954, to the Appropriations Committees of the House and Senate on the advisability and feasibility of the acquisition of said building"; and in line 21, after the amendment just above stated, to strike out the colon and "Provided further, That no funds available for expenditure by this agency shall be used for the payment of the salary of any employee in the District of Columbia at a rate in excess of \$8,000 per annum."

The amendment was agreed to.

The next amendment was, under the heading "Veterans' Administration," on page 11, line 11, after the word "exceed", to strike out "\$2,675,720" and insert "\$3,200,000."

The amendment was agreed to.

The next amendment was, on page 12, line 11, after the word "exceed", to strike out "\$753,800" and insert "\$856,000."

The amendment was agreed to.

The next amendment was, on page 12, line 17, after the word "exceed", to strike out "\$270,000" and insert "\$305,000."

The amendment was agreed to.

The next amendment was, on page 13, line 15, after the word "exceed", to strike out "\$3,200" and insert "\$4,800."

The amendment was agreed to.

The next amendment was, on page 13, at the beginning of line 24, to strike out "\$190,140" and insert "\$196,000"; on page 14, line 2, after the word "out-patient", to insert "fee basis"; in line 8, after the word "within", to strike out "2 years after separation from active service, or"; and in line 10, after the word "act", to strike out the comma and "whichever is later."

The amendment was agreed to.

Mr. HUNT. Mr. President, I ask unanimous consent that the vote by which the committee amendment on page 14, in line 8, was agreed to be reconsidered, for I should like to have the distinguished Senator from Massachusetts explain the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SALTONSTALL. Mr. President, there are two amendments in connection with dental services. There is 1 on page 14 in line 2; it is a clarifying amendment in connection with the action taken by the House of Representatives regarding the payment of dentists on a fee basis.

The second amendment is on page 14, in line 8. It is the one to which the Senator from Wyoming has directed attention. The provision adopted by the House indicated that any veteran could obtain free dental care if there were proof that his dental condition arose as a result of his service in the Armed Forces, either within 2 years after separation from the active service or 1 year after the enactment of this act, whichever was later.

The committee believed that provision was too stringent. Therefore it voted to strike out the provision with respect to 2 years after separation from active service, and to leave in the provision regarding 1 year after the enactment of this act.

As a result, if the committee amendment is adopted, when the bill becomes law, and for 1 year thereafter, any veteran who believes that his dental troubles have developed as a result of his service must certify that fact in order to obtain free dental care in the future.

Mr. HUNT. Mr. President, I thank the distinguished Senator from Massachusetts for the amendment which has been voted by the committee, for it leaves open to all the great number of veterans of World War I, the Spanish-American War, and of World War II, the possibility of securing this needed dental care, provided they make application within 1 year after the enactment of this act.

Mr. SALTONSTALL. That is correct. The amendment adopted by the Senate committee was the alternative one of the two, as offered to the committee by the Senator from Wyoming.

Mr. HUNT. I thank the Senator from Massachusetts.

The PRESIDING OFFICER. The question now is on agreeing to the committee amendment on page 14, in line 8.

The amendment was agreed to.

The PRESIDING OFFICER. The next committee amendment will be stated.

The next amendment was, on page 14, line 17, after the word "exceed", to strike out "\$13,000" and insert "\$18,200."

The amendment was agreed to.

The next amendment was, on page 15, line 24, after the word "date", to insert "or commitments for loans made by the Veterans' Administration"; and in line 25, after the amendment just above stated, to insert a colon and the following additional proviso: "Provided further, That under any contract between a State, or any political subdivision of a State, and the Veterans' Administration providing for the furnishing of instruction in a course of institutional on-farm or other training under part VIII of Veterans Regulation No. 1 (a), as amended—Public Law 346, 78th Congress, as amended—liability authorized

by this section by reason of payments of subsistence allowance which were illegal because of failure of the veteran or the course to comply with the applicable statutory, regulatory, or contractual requirements shall not be applied to the contracting State, or political subdivision, unless the Administrator of Veterans' Affairs, after investigation, finds that an employee or representative of such State, or political subdivision, conspired with the veteran by, or was guilty of fraud or gross negligence in, falsely reporting to the Veterans' Administration that the veteran was in a proper course of training, failing to report unauthorized or excessive absences from, or interruption or discontinuance of, his course of training, or not discovering the failure of the veteran to comply with the applicable statutory, regulatory, or contractual requirements and not promptly terminating the course of training of the veteran. The provisions of this proviso shall be effective as of July 13, 1950, but shall not require repayment of any funds heretofore properly recovered by agreement of the parties to any such contract, and shall not be applicable to any other liabilities or agreements pursuant to such contract."

The amendment was agreed to:

The next amendment was, on page 17, line 6, after the word "for", to insert "planning for."

Mr. SALTONSTALL. Mr. President, I point out to the distinguished acting majority leader that this is the amendment about which he had a question.

Mr. KNOWLAND. Mr. President, I wish to ask some questions about the neuropsychiatric hospitals, one being at Topeka, Kansas; another at Houston; and the third at San Francisco.

The information I have from California—and I think it also applies to the situations in Kansas and Texas—is that there is very great need for, and a shortage of, neuropsychiatric hospitals and facilities.

I understand that the Senate committee has voted to strike out the language adopted by the House, on which the House had worked with considerable care. Was that done because of information coming to the attention of the subcommittee and the full committee, that the plans were not yet available and that even if funds were provided, actual construction could not commence at this time, because of a lack of plans?

Mr. SALTONSTALL. The Senator from California has stated the situation correctly. I shall be glad to discuss the matter further for a few minutes, if the Senator from California cares to have me do so.

Mr. KNOWLAND. Yes, I should like to have the Senator from Massachusetts do so. He is a very conscientious chairman of the subcommittee, and certainly I wish to support the recommendations of the subcommittee. However, I feel most deeply about the care of those who have developed neuropsychiatric problems as a result of service to their country. Of course, sometimes it is a little difficult to determine whether such conditions are service connected. I know there is great need for, and a great short-

age of, neuropsychiatric hospitals and facilities in the area on the Pacific coast, and I believe a similar situation exists elsewhere in the Nation.

Otherwise, I would have felt some obligation to submit an amendment to support the action taken by the House of Representatives; but when I explored the situation and learned that the plans were not actually available at this time, I felt that if we could be assured that the bill provided funds with which the planning could be expedited, so that when the plans were available, the Veterans' Administration, through the Bureau of the Budget, could come to Congress with specific figures on what the cost of construction would be, I would not be inclined to resist the committee's action.

Mr. SALTONSTALL. Mr. President, I think the Senator from California has stated the situation correctly, and that there will be no delay. I agree with what he has said; and I know how the Senators from Kansas feel about the matter, because they testified before the committee.

Unquestionably there is need for more neuropsychiatric hospitals. The question is how fast we can proceed, and whether we can proceed without planning.

Let me state for a moment the situation as the committee found it in regard to the three new hospitals.

Mr. SCHOEPPPEL. Mr. President, will the Senator from Massachusetts yield to me at this time?

Mr. SALTONSTALL. I yield.

Mr. SCHOEPPPEL. Does the Senator from Massachusetts intend to cover the situation affecting the three hospitals named in the report, and to which the distinguished acting majority leader has referred?

Mr. SALTONSTALL. I do.

Mr. SCHOEPPPEL. Because I wish to concur 100 percent in the position taken by the distinguished Senator from California, the acting majority leader [Mr. KNOWLAND]. There is much concern about this matter.

I wish to ask the chairman of the subcommittee, after the conclusion of his statement, certain questions with reference to the situation.

Mr. SALTONSTALL. I shall be very happy to try to answer them.

The subcommittee, I believe, has made a very careful study. The action taken was taken advisedly, and without a thought of not ultimately building the hospitals in question, but with the idea that nothing would be gained by appropriating money for construction this year.

The situation in regard to veterans' hospitals is that at the present time there are approximately 114,000 veterans' hospital beds, and, in addition, 18,000 domiciliary beds. Ten new hospitals are to come into existence in the current fiscal year. These 10 new hospitals will have 7,657 new beds. In addition to those, there are 2,300 beds now in existing hospitals which have been shut down because of lack of funds with which to operate them.

If Congress approves the appropriation for operating hospitals now contained in the bill, that is, the amount made available by the House, there will be 7,000 new employees. With that number of new employees 2,300 beds in existing hospitals can be placed in operation, there will be approximately 4,700 employees available for the new hospitals as they come into service this year.

As I said, it is figured there is about 1 employee to a bed; to be exact, nine-tenths of 1 employee. So if 7,657 new beds are provided this year, 4,700 employees will be available to operate them.

There is at the present time available in the Veterans' Administration an estimated unobligated balance of \$60 million as of June 30, 1953, for the construction of new hospitals, and there is an additional \$20 million for major betterments and additions. In other words, this represents money already appropriated, which the Veterans' Administration has not been able to use because the construction has not become possible. As I have said, there are 10 new hospitals to come into existence this year.

With relation to the hospitals for Topeka, San Francisco, and Houston, the House included what they believed to be a sufficient amount with which to construct the hospitals; but the Senate committee was informed by the Veterans' Administration that it has no money with which to plan or to provide technical services for these hospitals. The Veterans' Administration tells us that in the case of the Topeka hospital, assuming that everything should go ahead without delay, the estimated time for awarding the contract would be March 1955, with completion around September 1957. In the case of the San Francisco hospital the award of the contract would be in November 1954, with completion in May 1957. In the case of the Houston hospital the contract would be awarded in May 1955, and the date of completion would be May 1957.

It will therefore be seen that in all three of these instances the contracts cannot be awarded until the next fiscal year. In the meantime, we have included in the bill an appropriation of \$2,500,000, which we understand is sufficient to permit going ahead and drawing the plans for hospitals which the Veterans' Administration may consider necessary.

I may say to my distinguished colleagues that the committee has included in the bill on page 17, line 6, the words "planning for" and in line 7 the bill as passed by the House contains the words "any of the facilities." The committee felt that when the Veterans' Administration were planning hospitals they should not be confined to the planning of the three hospitals specifically, but that we should leave it open so they could use \$2,500,000 with which to plan whatever hospitals they felt should have No. 1 priority.

Mr. KNOWLAND. Mr. President, I should like some assurances, if the distinguished Senator from Massachusetts can give them, that the money for planning will not be used for other purposes, but for what I feel represents a very

urgent need. I refer to the neuropsychiatric hospitals, regarding which I fully agree with the Senator that, based on the information he has received from the Veterans' Administration, it would be useless to appropriate the funds now, for if the plans are not ready construction cannot be proceeded with.

But I feel that what is proposed is not satisfactory. If we were to appropriate only \$2.5 million, and if that were found to be insufficient, and the Veterans' Administration should use that money for other purposes, and we would be faced again next year, when Congress reassembled, with the fact that no planning had been done for these hospitals, and it would be necessary to repeat the operation all over again. Therefore, I think it important to raise a question about this item on the floor. The bill, of course, will have to go to conference.

Mr. SALTONSTALL. That is correct.

Mr. KNOWLAND. I hope the distinguished Senator will explore with the Veterans' Administration, before it goes to conference, the question whether in their judgment they would be in a position, with \$2,500,000, to proceed with the neuropsychiatric hospitals. If they would not be, with that sum, then I ask the Senator whether, under the general rules governing conferences between the Senate and the House of Representatives, if it were found necessary to add to the appropriation to make certain that that could be done, there would be sufficient flexibility in the conference so that an additional amount for planning could be included in conference to make sure that the matter would be taken care of.

Mr. SALTONSTALL. Mr. President, in reply I may say, first, that the committee was informed by the Veterans' Administration that the amount included for planning was sufficient. If it proves to be insufficient, there is plenty of leeway to increase it.

With respect to neuropsychiatric hospitals, in the report of the Veterans' Administration last year, and again in this year's report, it has been emphasized that the neuropsychiatric hospitals represent the greatest need. Therefore, it is presumed that plans would be made to increase the number of such hospitals.

Mr. KNOWLAND. I would appreciate it, too, if the Senator would direct his staff to ascertain, when conferring with representatives of the Veterans' Administration, the length of time normally required for the development of plans. The information I received was that it required approximately 9 months to complete the planning. I would appreciate it if the Senator would direct his staff to check into that matter. I have also been told that after the plans are completed, normally about 3 months are required for the advertising of bids, the making of contracts, and so forth. So the only thing I would want the conferees to doublecheck on would be as to whether there are sufficient funds to permit expedition in the matter of planning.

Mr. SALTONSTALL. I agree with my colleague entirely, and I shall do my utmost to see that the two ideas he advances are embodied in the bill.

Mr. KNOWLAND. I thank the Senator from Massachusetts.

Mr. SCHOEPEL. Mr. President, will the Senator yield?

Mr. SALTONSTALL. I yield to the Senator from Kansas.

Mr. SCHOEPEL. In the light of the questions asked by the distinguished acting majority leader and the answers given by the distinguished Senator from Massachusetts, I obtain the impression that this item is practically equivalent to an earmarking of funds sufficient in amount to provide for the preparation of plans for the three hospitals to which reference has been made. Is that a fair statement?

Mr. SALTONSTALL. In order to clarify the matter, and to be perfectly frank with my friend, the Senator from Kansas, the committee includes provisions for the planning of hospitals. There is a sufficient amount, as I said to my colleague, the Senator from California, for the planning of the three hospitals in question. But the wording is applicable to any hospitals. In other words, it would not necessarily be restricted to the hospital at Topeka or at San Francisco. Plans could be made for a neuropsychiatric hospital somewhere else, if it were deemed advisable to have one somewhere else.

I would say, from the evidence offered by the Veterans' Administration and by the distinguished doctor from Topeka who testified, presumably—I can say only presumably—the rebuilding of the hospital at Topeka would have a very high priority. But I cannot assure the Senator of that fact.

Mr. DOUGLAS. Mr. President, will the Senator from Massachusetts yield?

Mr. SALTONSTALL. As soon as I complete the discussion with the Senator from Kansas.

Mr. SCHOEPEL. Pursuing the matter further with the distinguished Senator from Massachusetts, if planning money is available, and it is the intention to press for planning money for this type of hospital, it certainly is the feeling of the chairman of the committee, is it not, that if such a need exists it would be the intention of the committee later on to act on a request for additional funds to complete the hospitals?

Mr. SALTONSTALL. That is correct. Furthermore, I would invite the Senator's attention to the fact that the approval of the President is required. That is provided for in lines 6 and 7 on page 17 of the bill. So that plans for the selection of the site and plans for the construction of the hospital would proceed with the approval of the President. It is my recollection that there were four hospitals provided for in the bill last year by the House committee. They were eliminated by the Senate, but two of them were restored in conference. The two not put back in conference are two which are on the list this year, the one at Topeka and the one at San Francisco. So, presumably, they would have a very high priority.

Mr. SCHOEPEL. Like the Senator from California [Mr. KNOWLAND], I was prepared to offer an amendment, but some facts and circumstances have been

brought out here, namely, the lack of planning and the unavailability of plans until 2 or 3 years in the future, together with the expression by the distinguished chairman of the committee that the intention is to pursue in conference the effort to obtain sufficient funds to provide for planning of hospitals, which cause me to want to go along with the committee, if I can. But there is a very definite need for the type of treatment provided by hospitals of this kind.

Mr. SALTONSTALL. I agree with the Senator.

Mr. SCHOEPEL. I wanted to be doubly sure that if the matter is not pressed at this time, we would not be foregoing something which, in view of the facts, we should be diligent in pursuing.

Mr. SALTONSTALL. I think we are going forward with the projects in the most practical way, and I believe the committee has provided the amounts by which they can go forward as far as if we appropriate the whole amount of money for construction this year.

Mr. CARLSON. Mr. President, will the Senator from Massachusetts yield?

Mr. SALTONSTALL. I yield.

Mr. CARLSON. I appreciate very much the reassuring words of the distinguished chairman of the committee regarding the hospital at Topeka. On the other hand, I think I can say with my distinguished colleague from Kansas that we are disappointed that funds are not made available for the commencement of construction of the hospital at Topeka which is so badly needed. The hospital at the present time, as I am sure the Senator heard the witnesses testify, cannot properly care for neuropsychiatric cases.

We sincerely regret that we cannot tell the veterans of the Nation that we are going to commence work on the hospital; but I appreciate very much the remarks of the Senator from Massachusetts. I fully realize that it would be useless to offer an amendment from the floor, because I want to go along with the committee, and I know of no one who is better qualified to handle this matter than is the Senator from Massachusetts.

I sincerely hope the Appropriations Committee of the Senate will assist us in securing the early commencement of the hospital which is so badly needed.

Mr. SALTONSTALL. I thank the Senator from Kansas. I think my remarks to the senior Senator from Kansas indicate my feelings on the subject.

Mr. DOUGLAS. Mr. President, will the Senator from Massachusetts yield?

Mr. SALTONSTALL. I yield.

Mr. DOUGLAS. Am I correct in inferring from the statement of the Senator from Massachusetts that the reduction from \$48,867,000 to \$2,500,000, in lines 12 and 13, on page 17, is, in reality, merely a postponement of the appropriation of the necessary amount and is in no sense a real saving in expenditures by the Government?

Mr. SALTONSTALL. I would answer my colleague from Illinois by stating that that is my understanding. There is a great need for neuropsychiatric hospitals. The Government is going ahead

with 11 new hospitals that will come into operation in 1954, but the evidence shows that there is a strong demand and a waiting list with reference to neuropsychiatric cases, and this money would provide planning for completing such hospitals.

Mr. DOUGLAS. Mr. President, will the Senator yield so that I may make a brief statement?

Mr. SALTONSTALL. Mr. President, I ask unanimous consent that I may yield to the Senator from Illinois for a statement, without losing the floor.

The PRESIDING OFFICER. Without objection, it is so ordered. The Senator from Illinois may proceed.

Mr. DOUGLAS. Mr. President, all of us have great respect for the Senator from Massachusetts, and it is deserved respect, but what I want to point out is that someone may take these figures to indicate great savings for the taxpayers. The Senator from Massachusetts has just frankly stated, with his characteristic honesty, that this apparent saving of approximately \$46 million will ultimately be no saving at all. It represents merely a postponement of an appropriation.

I should similarly like to point out that the apparent reduction of \$300 million in the field of compensation and pensions for veterans is unreal. It is a paper saving and not a real saving, because the funds for the program of compensation and pensions to veterans, as was stated in the House report, are for the purpose of meeting contractual obligations of the Federal Government. The only actual reduction in expenditures possible for this area would have to be the result of fewer claims. In view of the mounting number of claims resulting from the Korean war, my judgment is that the number of claims is going to increase greatly during the coming year. So, the failure of the committee to appropriate certain sums is not a real saving at all.

Mr. SALTONSTALL. Has the Senator completed his statement?

Mr. DOUGLAS. I have completed my statement on that point, but I should like to point out other unreal savings in the bill.

Mr. SALTONSTALL. With reference to the question of compensation and pensions, the estimate of the Veterans' Administration is the largest ever submitted by that Administration.

Three new acts passed last year—Public Law 356, Public Law 357, and Public Law 427—so that the estimates must be an educated guess at best. The Veterans' Administration states that it has sufficient money for 10 months. No one can tell the exact amount required for the full year. Both the Senate and the House committees have emphasized in their reports that it is the intention to make sure that the veterans receive their compensation, and both committees have stated that when a better estimate is provided, based on actual experience, we shall be in position to provide the money in a supplemental bill.

Mr. President, I ask unanimous consent that I may place in the RECORD at

this point in my remarks a brief statement which explains what I have just stated.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

COMPENSATION AND PENSIONS

VA prepared the estimate of \$2,546,291,000 by using caseload and average monthly payment experience in 1952 and prior years, then added effects of 3 new acts last year.

Public Law 356, general increase in rates to most groups of veterans and their dependents.

Public Law 357, increased income limitations, which brought in new group previously excluded by excessive income.

Public Law 427, increased statutory rates for more seriously disabled groups, and authorized for first time for World War II and Korean veterans monthly rate for arrested tuberculosis and additional allowance for loss or loss of use of creative organ.

Therefore, this was the largest estimate ever submitted by VA for this item. Since World War II supplementals each year have made up the difference between regular appropriation and amount finally required to pay all compensation and pensions.

VA states they have enough in the bill for 10 months, and no one can tell exact amount to be required for year. So that, again, supplemental before next April can supply full amount needed for all approved compensation and pensions.

Rumors which have been circulated that the Senate and House committees intended to cut the actual money paid to a veteran for compensations and pensions are entirely without foundation. No veteran who is entitled to compensation and pensions will fail to get it.

Mr. DOUGLAS. Is it not true that the expenditures are controlled by law, and, therefore, the failure of the committee to appropriate does not in any sense diminish the expenditures which the Government will ultimately be called upon to make?

Mr. SALTONSTALL. That is correct.

Mr. DOUGLAS. I am very glad to have the Senator say that, because some persons who may not have his rugged quality of intellectual honesty may later use these figures to indicate great economies which have been made by this administration and by the committee.

Furthermore, I wish to point out that \$165 million of the claimed reduction of \$221 million in veterans' readjustment benefits is also unreal and merely involves a postponement of appropriations which will have to be made later.

Mr. SALTONSTALL. I wish to point out to the Senator from Illinois that there is an amendment in the bill that has not yet been reached, which would allow a 10 percent shifting between the various funds that are required to be paid out by law. The purpose of the amendment is to make the educated guess a little more accurate so as to avoid having to return to Congress for more money.

Mr. DOUGLAS. It is true, I think, that the committee effected real savings of approximately \$56 million by the inclusion in the bill of a provision prohibiting the use of funds for payment to the lender of an amount equivalent to 4 percent of the loan made or guaranteed in connection with any loan for

the purchase or construction of homes, farms, and business property. However, the \$165 million of the total reduction for Veterans' Administration readjustment benefits was not a real saving, but was simply a failure to appropriate for claims that will later accrue. Is not that correct?

Mr. SALTONSTALL. The Senator states the situation correctly.

Mr. DOUGLAS. I thank the Senator.

Mr. President, I ask unanimous consent that the statement I have prepared on these three points be printed in the RECORD at this place.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

UNREAL REDUCTION IN SECOND INDEPENDENT OFFICES APPROPRIATIONS BILL (H. R. 5690) AS REPORTED BY SENATE APPROPRIATIONS COMMITTEE

1. Veterans' Administration, compensation, and pensions: Unreal reduction, \$300 million.

Funds for this program, as stated in House report, are for the purpose of meeting contractual obligations of the Federal Government. Thus the only reductions possible would have to be a result of fewer claims. In view of mounting claims resulting from Korean hostilities, expenditures in this area are likely to increase rather than decrease.

2. Veterans' Administration, readjustment benefits: Unreal reduction, \$165 million.

Total reductions proposed in this area come to \$221 million. As stated in the House report, this total is made up as follows: (a) \$96 million due to a revised estimate; (b) \$69 million due to carryovers; (c) \$56 million representing savings by effecting changes in the program.

As in the case of pensions, expenditures for this program flow from contractual obligations, and thus savings must come from changes in the law. Thus, only the \$56 million resulting from changes in the law is a real saving. The rest of the reduction, \$165 million, is unreal.

3. Veterans' Administration, hospital and domiciliary facilities: Unreal reduction, \$46 million.

As stated in the Senate committee report, there is no intent, by this reduction, to stop the expenditure of the total amounts passed by the House. Funds were provided to proceed with the construction of the hospital involved, and the reduction is merely a postponement of appropriating the necessary amounts.

Total unreal reductions, \$511 million.

Mr. SALTONSTALL. Mr. President, in the Veterans' Administration last year, for readjustment benefits, there was an estimated unobligated balance of \$65 million on June 30, 1953. I merely point that out to show how difficult it is to estimate the figures far in advance.

Mr. DOUGLAS. The only point I was making is that, when the funds represent contractual obligations, failure to appropriate does not diminish expenditures. However, I wish to say that the committee did effect a substantive economy of \$56 million.

Mr. FLANDERS. Mr. President, will the Senator from Massachusetts yield?

Mr. SALTONSTALL. I yield to the Senator from Vermont.

Mr. FLANDERS. As the bill was being read and explained by the Senator from Massachusetts, I observed that provision was made for operating ex-

penses, which would insure that beds now unavailable would be placed in use.

Mr. SALTONSTALL. Twenty-three hundred beds in existing hospitals have been closed because of lack of attendants. Funds are provided in the bill for 7,000 new employees, of which 2,300 would go into existing hospitals, which means practically one attendant for every bed.

Mr. FLANDERS. I may say to the Senator from Massachusetts that I am interested in this item, because a certain number of beds in the hospital at White River Junction, Vt., were closed. Yet the bill expressly includes provision that a hospital or building in the Senator's own State is to be enlarged by 300 beds.

I hope the Senator, whose attention seemed to be diverted momentarily, heard what I said.

Mr. SALTONSTALL. I did.

Mr. FLANDERS. It seemed to me a ridiculous situation that beds should be closed in one hospital, while plans to enlarge another hospital, located not too far away, were being made. I wonder if any assurance can be given that in time to come a thoroughly foolish and wasteful policy, as it seems to be, will never again be undertaken.

Mr. SALTONSTALL. I cannot say that it will never again be undertaken. However, I am informed that, while closed, 2,300 beds in existing hospitals will be put into use, there still will be beds in existing hospitals that will be closed. I was not aware of that situation.

Mr. FLANDERS. Meanwhile, there are plans to build new hospitals.

Mr. SALTONSTALL. That is correct.

Mr. FLANDERS. Does the Senator from Massachusetts have any way to explain why new hospitals should be built, when those already built are not being used to their fullest extent?

Mr. SALTONSTALL. I can only say that the new hospitals are planned for localities where they are needed. We shall place in service in the coming year, if our plans carry through on time, 10 new hospitals, having 7,600 new beds. However, I am informed that 2,300 employees will move into existing hospitals.

Mr. FLANDERS. I do not know that I can get the information from the Senator, because probably he does not possess it, but is there assurance that the hospital in Vermont will be included among the hospitals whose beds will be reopened?

Mr. SALTONSTALL. I cannot give the Senator that assurance, because Dr. Boone, when he appeared before the committee, did not go into detail as to which hospitals would be included. I shall be glad to try to secure the information for the Senator from Vermont if he desires to have me do so.

Mr. FLANDERS. I should like very much to have the Senator from Massachusetts ascertain that information for me.

Mr. SALTONSTALL. I shall be glad to do so and to write a letter to the Senator, giving him the data.

Mr. FLANDERS. I thank the Senator very much. Veterans in Vermont had access to the service and advice of one

of the finest clinics in the United States, the Mary Hitchcock Clinic, at Hanover, N. H. That was closed. Yet the Government is proposing to build new hospitals, even in the State of New Hampshire, which seems to me to be rank foolishness. I hope it will not continue.

Mr. SALTONSTALL. I shall obtain for the Senator from Vermont the information he has requested.

Mr. SCHOEPPPEL. Mr. President, will the Senator from Massachusetts yield?

Mr. SALTONSTALL. I yield to the Senator from Kansas.

Mr. SCHOEPPPEL. I do not wish to be repetitious in my remarks, but I may say to the Senator from Massachusetts that I have just received information which I thought I had with me at the time of my previous discussion with the Senator, and I desire to refer to it now.

In H. R. 5690, as passed by the House, the distinguished Senator knows there was included in the appropriation, under the title "Hospital and Domiciliary Facilities," an appropriation of \$48,876,000. For the purpose of the record, that sum was for the construction of 1,000-bed hospitals at San Francisco, Calif., and Topeka, Kans., and for construction of a 250-bed addition to a hospital at Houston, Tex.

In reporting the bill, the Appropriations Committee of the Senate has included \$2,500,000 in the appropriation item for planning purposes. That was what we were discussing awhile ago. What I was concerned about initially was the report from the subcommittee which the distinguished Senator from Massachusetts heads, Report No. 502. In that report it is not made specific that it is contemplated that funds for construction will be considered by Congress at a later date.

I know the Senator from Massachusetts cannot be positive and specific, but what I am interested in knowing is to what extent he would be willing to go to indicate briefly, in connection with the hospital program, the necessity for building the additional hospitals, so that when plans are made, appropriations can be made therefor.

I had thought that, for the purpose of clarifying the report, the committee might consider taking to conference an amendment following the amount shown on page 17, line 13, as follows:

Provided, That appropriations of additional funds to accomplish construction of facilities under such plans are hereby authorized.

Mr. SALTONSTALL. Mr. President, in reply to the Senator from Kansas, I may say that we have a letter from the Veterans' Administration dated June 30, 1953, which states that the cost of technical services, architectural, and so on, for the San Francisco hospital will be \$1,035,000; for the Topeka hospital, \$1,193,000.

I call to the Senator's attention the fact that these hospitals, when they are built, or when money is to be appropriated for them, must have the approval of the President. As I read this provision, what the Veterans' Administration will do is to make recommendations that it be allowed to plan, we will say,

for 3 new hospitals, or 2 new hospitals and the Houston addition, and then get the approval of the President.

In the revised budget of this year, the so-called Eisenhower budget, no money was recommended for the building of these hospitals. It was left out. The House provided such an appropriation, but the Senate committee has stricken it out and provided planning money. As a member of the committee, I could not, speaking for the committee, give the Senator assurance that money for construction will be appropriated next year, because we cannot bind the Congress in the future. If the President approves the planning of these hospitals, presumably, if financial conditions are right, or the need is great, he will submit a request to the Congress in the next budget.

This is the fourth year in which the Senator from Massachusetts has been concerned with the hospital problem. He has, I hope, a reasonable understanding of it.

Mr. SCHOEPPPEL. I am sure the Senator has. I thank the Senator for his appraisal of the situation. I can well understand that the program hinges on certain contingencies. However, I know that the Senator from Massachusetts is very sympathetic toward the projects which were deleted from the bill, as I am sure the majority of the membership of the committee is.

Mr. SALTONSTALL. I think all members of the committee feel the same way.

Mr. SCHOEPPPEL. Mr. President, I ask unanimous consent to have printed in the RECORD at this point in the colloquy between the senior Senator from Kansas and the Senator from Massachusetts, in charge of the bill, certain telegrams and letters showing the necessity for the hospital in Kansas.

Mr. SALTONSTALL. I appreciate the courtesy of the Senator in placing this material in the RECORD.

The PRESIDING OFFICER. Is there objection?

. There being no objection, the telegrams and letters were ordered to be printed in the RECORD, as follows:

TOPEKA, KANS., July 5, 1953.

ANDREW F. SCHOEPPPEL,
United States Senate,
Washington, D. C.:

Please work to have funds for new VA hospital restored to budget. This psychiatric training center is vitally needed for VA hospitals throughout the country. Curtailing this item in budget is false economy. Your cooperation in behalf of our mentally-ill veterans is appreciated.

CLAIRE PERKINS.
FLOYD PERKINS.

MANHATTAN, KANS., July 6, 1953.

Senator ANDREW SCHOEPPPEL,
United States Senate Building,
Washington, D. C.:

We urge everything possible be done to restore the Topeka VA hospital funds in the current budget. Request reply.

American Legion Post 207, Ogden, Kans.;
Mike Pat Morrand, Charles J. Morrand,
W. J. Dickerson, Jasper Hartung, Ralph Guyer, Ed Staten, Bill Hight, Ivan DeWitt, Harold Christopherson, Roy Stehr, Louis Brown, Bill Starchenko, Aubrey Crosby, Ray Bluthardt, Glenn Klimek, Bob Boller, Vincent Kromer,

Francis Kramer, Edwin Kramer, Melvin Dovin, Garret Fraunfelder, Clifford, Jensen, Marion Smith, Hiram Bumbaugh.

COFFEYVILLE, KANS., July 6, 1953.
Senator ANDREW F. SCHOEPPPEL,
Senate Office Building,
Washington, D. C.

DEAR SENATOR SCHOEPPPEL: Two hundred seventy-five American Legion auxiliary members Coffeyville Unit, No. 20, wants the money restored to build the new VA hospitals. Winter VA hospital at Topeka is needed and we are counting on you to do everything possible.

Sincerely,

Mrs. ELLA MILLER,
First Vice President, Coffeyville Unit, No. 20.

PRATT, KANS., July 6, 1953.
Senator ANDREW F. SCHOEPPPEL,
United States Senate,
Washington, D. C.

DEAR ANDY: Regards to appropriations to vet hospitals. Members of Cedric H. Shaw Post, W. Boughner, Commander, and myself ask for every consideration for its grant. Kindest regards.

DONALD C. LUNT.

KANSAS CITY, KANS., July 6, 1953.
Senators SCHOEPPPEL and CARLSON,
United States Senate,
Washington, D. C.:

The membership of this post strongly urge restoration of the \$48 million appropriation to provide VA hospital projects including the new Winter Hospital, Topeka, Kans.; which we consider urgently needed.

AMERICAN LEGION,
ROSEDALE POST, No. 346.

GIRARD, KANS., July 6, 1953.
Senators SCHOEPPPEL and CARLSON,
Washington, D. C.:

We, the members of the Priestly Ridley Post, No. 35, of the American Legion Auxiliary, Cherokee, Kans., urge the Senators to endorse \$48,867 for three VA hospitals and not to knock it out of the VA money bill previously passed by the House.

EMMA RUPARD,
President.
DOROTHY TINS,
Secretary.

PRATT, KANS., July 7, 1953.
Senator ANDREW F. SCHOEPPPEL,
United States Senate,
Washington, D. C.:

Entire membership of local American Legion Auxiliary ask that you do everything possible to restore cut in appropriations bill which will eliminate rebuilding of Winter General Hospital. If all Members of Congress would visit hospital, as you have done, they certainly would favor new building program.

Mrs. R. A. FLANDERS,
Secretary.

PARSONS, KANS., July 7, 1953.
United States Senator ANDREW F. SCHOEPPPEL,
Senate Chamber,
Washington, D. C.:

We are asking you to vote to restore the appropriation whereby the veterans' hospital at Topeka, Kans., will be built which is so badly needed at this time, and vote to override any bill cutting the veterans' benefits.

Very truly yours,
WILLIAM G. ROBERTS,
Commander, American Legion Post
No. 56.

CLAY CENTER, KANS., July 7, 1953.
Hon. ANDREW F. SCHOEPPPEL,
United States Senator,
Washington, D. C.:

The Alonzo F. Dexter Post of Clay Center, Kans., having 378 members, desires that you

do all in your power to restore the VA appropriations to build a permanent hospital at Topeka, Kans. Many psychopathic veterans now being denied admission due to inadequate facilities.

WILLIAM POTENSKI,
Commander.

ELDORADO, KANS., July 8, 1953.
Hon. ANDREW F. SCHOEPPPEL,
United States Senator,
Senate Office Building,
Washington, D. C.:

We 1,140 members of Captain Edgar Dale Post, No. 81, the American Legion, Eldorado, Kans., emphatically urge you to support the construction of VA hospital at Topeka, Kans. Please reply.

W. K. MARTIN,
Commander.

LAWRENCE, KANS., July 8, 1953.
ANDREW SCHOEPPPEL,
Senate Office Building:

Legionnaires voted to urge both Senators to support VA budget so that money will be provided to build new VA hospital in Topeka.

ROSS F. WULFKUHL,
Commander, Dorsey Liberty Post,
No. 14.

EUDORA, KANS., July 8, 1953.
Hon. Senator ANDREW SCHOEPPPEL:
Please urge Senate to appropriate money for Winter General Hospital.

AMERICAN LEGION AUXILIARY.

FRANKFORT, KANS., July 8, 1953.
Senator ANDREW F. SCHOEPPPEL,
United States Senate Chamber:
Please see that money is provided to build new Winter General Veterans' Hospital at Topeka.

LEO MCMININMY UNIT, No. 181,
ROSE KELLY, President.

FRANKFORD, KANS., July 8, 1953.
Senator ANDREW SCHOEPPPEL,
United States Senate Chamber:
Please fight for appropriation for new Winter General Veterans' Hospital at Topeka.

AMERICAN LEGION POST, No. 181,
TED KUCKELMAN, Commander.

WICHITA, KANS., July 7, 1953.
Senator ANDREW SCHOEPPPEL,
Senate Office Building:
American Legion auxiliary solicits your support for restoration of funds in construction of new hospital at Topeka.

SOPHIA FORDHAM,
Department President-elect.

BONNER SPRINGS, KANS., July 7, 1953.
Senator ANDREW SCHOEPPPEL:
Please see that money is provided for rebuilding new VA hospital at Topeka. Urgent.

AMERICAN LEGION AUXILIARY,
UNIT, No. 371.

HUTCHINSON, KANS., July 7, 1953.
Senator ANDREW SCHOEPPPEL,
Senate:

Urge your full support to restore funds in Veterans' Administration budget for new hospital, Topeka.

GUY E. HOLT, Jr.

PRATT, KANS., July 6, 1953.
Senator ANDREW SCHOEPPPEL,
Kansas Senator:

The American Legion of Pratt has fully endorsed the appropriation of \$40,867,000 for 3 VA hospitals which was passed by the House, 1 to be built in Topeka, Kans. This bill is a necessity. Please do your best in the Senate.

WILTON BOUGHNER,
Commander, American Legion Post.

MAPLE HILL, KANS., July 7, 1953.
Senator ANDREW F. SCHOEPPPEL,
Senate Chamber:

We urge your support of appropriations for VA hospital projects.

JAMES ELMER ROMICK POST, No. 130,
AMERICAN LEGION.

INDEPENDENCE, KANS., July 7, 1953.
Senator ANDREW F. SCHOEPPPEL,
Senate Office Building:

Please do everything possible to see that money is provided to build a new VA hospital in Topeka, Kans.

HAROLD R. ANDREWS POST, No. 139,
THE AMERICAN LEGION.

ELLSWORTH, KANS., July 3, 1953.
Senator ANDREW SCHOEPPPEL,
Washington, D. C.:

Please do everything in your power to replace appropriation where amount will be included in VA bill before committee. We need Topeka hospital.

ELLSWORTH POST, No. 174,
MELVIN SPARKS, Commander.

LEAVENWORTH, KANS., July 4, 1953.
Hon. ANDREW H. SCHOEPPPEL,
United States Senate:

Post action requests your support to restore funds for new hospital at Topeka, Kans.

BYRON H. MEHL POST, No. 23,
AMERICAN LEGION,
KARL A. WHICKER, Adjutant.

FORT SCOTT, KANS., July 3, 1953.
Senator ANDREW SCHOEPPPEL,
Senate Office Building:

Don't let vets down on Topeka hospital. Please do everything possible.

GEORGE LUFFEL.

BURLINGTON, KANS., July 3, 1953.
Senator ANDREW F. SCHOEPPPEL,
Washington, D. C.:

We respectfully urge you to do everything possible to see that money is provided to build new hospital at Topeka. Return reply requested.

Edwin Zscheile, commander, and the following members of Congdon-Kepler Post, No. 38: M. B. Armstrong, G. W. Anderson, W. E. Anderson, D. H. Ashburn, R. C. Atter, Emil Atzback, W. N. Batdorf, Wayne Bentley, D. E. Blue-jacket, L. D. Bowen, L. H. Bowman, B. L. Brownfield, Wm. A. Buckles, A. M. Burrell, H. G. Butler, Clyde Bull, A. B. Caldwell, J. C. Carney, R. M. Tearter, Vernon Cartmell, M. K. Caudell, C. M. Cellar, Thomas Cellers, Arthur Chaterton, Champ Clark, J. J. Conrad, Lee Combs, L. H. Cooksey, W. R. Cooksey, Clair Corbin, W. H. Cossairt, Earl Coulter, T. A. Coy, Landon Daggett, T. E. Deaton, F. A. Daugherty, Leo Decker, P. E. Decker, O. W. Dickason, Q. C. Demoss, J. J. Diegel, Chas. Dwight, R. A. Dwight, Floyd Ecord, L. R. Epting, R. H. Everett, B. B. Ferman, Frank Ferris, Beryl Fodge, J. F. Fischer, F. T. Forbes, M. D. Freeman, Elza Fosnight, G. E. Franklin, Leonard Freeman, James Fry, Raymond Garrett, Dale Gillespie, Lee Graham, Ray Griffin, C. A. Grennan, Frank Grose, Fred Hahn, Paul Haight, R. W. Hart, Carl Hart, F. H. Harvey, Lester Hayes, Henry Hegwald, M. W. Henley, E. E. Hemick, Andrew Hoach, Otis Hoffman, E. B. Howe, V. H. Howe, O. B. Hunt, M. F. Hogan, G. H. Hudson, W. E. Hunter, Delbert Helmer, Roy Helmer, A. D. Jacobs, Theo Judah, C. I. Irwin, John Jauernig, Donald Karr, Ray Kennard, Elmer Kepler, Irwin Klammm, Burt Knowles, Wm. Kraft, F. A. Lewis, Perry Martin, J. D. Meek, Edgar Mechnig, M. E. Merritt, R. W. Milliken, Dr. S. A. Mills, H. W. Morris, M. E. Mast, Henry Malick, Wm. G. Morris, A. D. McCallon, Dr. A. B. McConnell, Beryl McCullough, Amer McCullough, D. C. McCullough,

F. L. McCullough, R. L. McCullough, S. C. McMurray, W. L. McCormick, Harold McKinstry, Dale Stulp, George Robinson Pat Wagner, William Singular, Pete Wilson.

HOLTON, KANS., July 7, 1953.

Senator ANDREW SCHOEPPPEL,

Senate Office Building,

May L. Bair Post, American Legion, in behalf all veterans, Jackson County, Kans., requests that you support in full Senate Appropriations Committee retention of funds for the three VA hospital projects, including new Winter VA hospital, Topeka, which were deleted by Senate subcommittee from VA money bill previously passed by House.

HENRY SCHEIDEGGER,
County Treasurer.

VETERANS OF FOREIGN WARS
OF THE UNITED STATES,
DEPARTMENT OF KANSAS,

July 1, 1953.

The Honorable ANDREW F. SCHOEPPPEL,
Senate Office Building,

Washington, D. C.

DEAR SIR: I appreciate your kind remarks in your letter of June 16, and you may be sure that as department commander of the Veterans of Foreign Wars of Kansas, I will be calling upon you from time to time during the year. We as an organization composed entirely of overseas veterans are primarily interested in the care and rehabilitation of our disabled comrades.

I am indeed pleased to see that you are interested and recommending the building of a new VA hospital in Topeka, and hope that you will continue your support of this program. I know you realize the need for a new hospital.

With kind regards, I am

Very truly yours,

RICHARD L. TROMBLA,
Commander, VFW,
Department of Kansas.

KANSAS DEPARTMENT,
THE AMERICAN LEGION,
July 2, 1953.

Senator ANDREW F. SCHOEPPPEL,
United States Senate,

Washington, D. C.

DEAR SENATOR: I noted in this morning's paper that the Senate committee conducting hearings on the veterans' appropriation bill had stricken the \$20 million for construction of a permanent hospital at Topeka. The land necessary for this project was acquired many years ago and the buildings that are now in use are temporary wooden barracks type buildings which are wholly unsuitable, inadequate, and dangerous. There certainly should be no question concerning the need for a permanent NP hospital at Topeka serving the veterans of this area. I can personally attest to the fact that present facilities are inadequate to take care of all veterans requiring this type care. We have made frequent surveys and there has always been a long waiting list for admittance to the Winter General Hospital.

This construction has been long delayed now and further delay will only aggravate the situation that exists. It is hoped that the appropriation of Winter General Hospital can be restored in this measure and that you will lend your support to the restoration of this appropriation.

With kindest regards, I remain,

Yours very truly,

PAUL L. AYLWARD,
Department Commander.

AMERICAN LEGION AUXILIARY,
WINFIELD UNIT, No. 10,
Winfield, Kans., July 4, 1953.

Senator ANDREW SCHOEPPPEL,

Washington, D. C.

DEAR SENATOR SCHOEPPPEL: As president of the Legion Auxiliary, Winfield Unit, No. 10,

Winfield, Kans., I am asking that you do everything that you can to keep the \$48,867,000, which will provide for the three VA hospital projects, from being cut from the VA money bill which will be coming up next week.

We surely do need to rebuild Winter Veterans' Administration at Topeka, and I trust that you will use your influence to obtain this for our legionnaires.

Sincerely yours,

ALICE PETERSON.

ALLEN, KANS., July 6, 1953.

Senator ANDREW SCHOEPPPEL.

DEAR SIR: I am writing to you in behalf of the American Legion auxiliary. For you to do all you can in providing money to build the new VA hospital.

Because I know what it is like to ask to get in the hospital, and have to wait your time. My brother waited for 3 weeks before he could get in the hospital.

Yours truly,

MISS MARY FRIK,
President of Unit 389.

Mr. COOPER. Mr. President, will the Senator yield?

Mr. SALTONSTALL. I yield.

Mr. COOPER. I wish to invite the Senator's attention to some of the simple, plain questions which have been addressed to me by veterans' organizations and by individual veterans.

In the past few weeks I have found that veterans are concerned that in some way this administration and this Congress may limit the services which are available to them. I believe that in some instances their concern has been inspired politically. So I should like to ask these direct questions:

First, with respect to hospitals, I ask the Senator from Massachusetts if it is true that no existing hospital will be closed as a result of this appropriation bill?

Mr. SALTONSTALL. We are opening 2,300 new beds in existing hospitals, and 7,600 new beds, presumably, are coming in during the year, in new hospitals. Certain hospitals will be closed, where new hospitals take their place.

Mr. COOPER. But there will be no reduction of beds?

Mr. SALTONSTALL. No; there will be an increase of 7,600 beds.

Mr. COOPER. And there will be no stoppage of construction of hospitals where construction is now underway?

Mr. SALTONSTALL. There is available, as of July 1 of this year, \$60 million in the Veterans' Administration for paying for the new hospitals, and \$20 million more for betterments.

Mr. COOPER. Another subject on which I have received many letters is the availability of hospital services to veterans. Many veterans are afraid that if they do not have service-connected disabilities they will not be admitted to the use of the hospital facilities.

Mr. SALTONSTALL. Admiral Boone told the committee that every service-connected disability was immediately hospitalized, with very few exceptions, and that there was no waiting for more than 7 days in the case of any service-connected disability.

Mr. COOPER. Are hospital facilities still available for those with non-service-connected disabilities or illnesses?

Mr. SALTONSTALL. The waiting list of 24,000 cases consists entirely of non-service-connected disabilities.

Mr. COOPER. They have not been shut off?

Mr. SALTONSTALL. They have not been shut off.

Mr. COOPER. Does the change in the provisions respecting dental care deprive in any way any veteran who now has a right to dental care under the law, of the opportunity for dental treatment?

Mr. SALTONSTALL. The answer to that question is that he will not be shut off. If he applies within a year after the enactment of this act and shows in his application that his dental needs resulted from service, he will not be shut off.

Mr. COOPER. I have received other letters from veterans, whose pensions have been reduced, and who say that it has been suggested that their pensions be reduced because in some way funds are not now available, because of the action of this new Congress.

Mr. SALTONSTALL. I can assure the Senator that that is not the fact. The committee went into that question very carefully and gave every assurance to the Veterans' Administration, as the Senator from Massachusetts told the Senator from Illinois [Mr. DOUGLAS], that every pension and every benefit required by law would be paid. The Veterans' Administration says it has sufficient money for at least 10 months, and perhaps for a longer time. However, it is estimated that it has sufficient for 10 months. Congress will be in session next January. The supplementary appropriation bill this year included \$235 million, and presumably the amount next year will be approximately the same.

Mr. COOPER. One item in the bill refers to readjustment benefits.

Mr. SALTONSTALL. That is one item.

Mr. COOPER. There are certain provisions and conditions in connection with the item. Do those provisos in any way deprive veterans of any benefits now available to them? I am referring to the provisos on pages 15 and 16.

Mr. SALTONSTALL. On page 15 the House made a change in the present law. Under the present law, in connection with a loan to a veteran for building a new house, he can get up to 4 percent, or not to exceed \$160, paid in to the bank, and he may use that money for any purpose in connection with the house. He may use it to cut down the loan, pay the first year's interest, or in some other way.

That provision has been eliminated. However, no commitments prior to the taking effect of this act will be affected. No commitments made prior to September 1 or the date of the taking effect of this act will be affected.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment on page 17, line 6.

The amendment was agreed to.

The PRESIDING OFFICER. The next amendment will be stated.

The next amendment was, on page 17, line 12, to strike out "\$48,867,000" and insert "\$2,500,000."

The amendment was agreed to.

The next amendment was, on page 17, line 13, to strike out:

Provided, That no part of the foregoing appropriation shall be used to commence any major alteration, improvement, or repair unless funds are available for the completion of such work; and no funds shall be used for such work at any facility if the Veterans' Administration is reasonably certain that the installation will be abandoned in the near future: *Provided further*, That not to exceed 5.5 percent of the amounts available under this head shall be available for the employment of all necessary technical and clerical personnel for the preparation of plans and specifications for the projects as approved hereunder and in the supervision of the execution thereof, and for all travel expenses, field office equipment, and supplies in connection therewith, except that whenever the Veterans' Administration finds it necessary in the construction of any project to employ other Government agencies or persons outside the Federal service to perform such services not to exceed 9 percent of the cost of such projects may be expended for such services.

The amendment was agreed to.

The next amendment was, on page 20, line 17, after the word "appropriations", to insert "but not to exceed 10 percent of the appropriation so augmented."

The amendment was agreed to.

The next amendment was, under the heading "General Provisions," on page 22, line 22, after the word "by", to strike out "members of local draft boards" and insert "uncompensated officials of local boards and appeal boards."

The amendment was agreed to.

The next amendment was, on page 24, after line 12, to strike out:

SEC. 105. (a) No part of the money appropriated by this act to any department, agency, or corporation or available for expenditure by any department, agency or corporation which is in excess of 75 percent of the amount required to pay the compensation of all persons the budget estimates for personal services heretofore submitted to the Congress for the fiscal year 1954 contemplated would be employed by such department, agency, or corporation during such fiscal year in the performance of—

(1) functions performed by a person designated as an information specialist, information and editorial specialist, publications and information coordinator, press relations officer or counsel, photographer, radio expert, television expert, motion picture expert, or publicity expert, or designated by any similar title, or

(2) functions performed by persons who assist persons performing the functions described in (1) in drafting, preparing, editing, typing, duplicating, or disseminating public information publications or releases, radio or television scripts, magazine articles, photographs, motion pictures, and similar material,

shall be available to pay the compensation of persons performing the functions described in (1) or (2).

The amendment was agreed to.

The next amendment was, on page 25, line 11, to change the section number from "106" to "105."

The amendment was agreed to.

The PRESIDING OFFICER. That completes the committee amendments. The bill is open to further amendment.

Mr. SALTONSTALL. Mr. President, an amendment has been suggested by the Senator from Tennessee [Mr.

KEFAUVER], on page 3, after line 20, to insert the following proviso:

Provided further, That no part of this appropriation shall be used, pending sale of housing owned by the Atomic Energy Commission or other disposition, to raise the rents or other charges of present occupants above the levels in effect June 1, 1953.

The Senator from Massachusetts is perfectly agreeable to taking this amendment to conference.

The PRESIDING OFFICER. The Chair understands that the Senator from Massachusetts offers the amendment for the Senator from Tennessee [Mr. KEFAUVER].

Mr. SALTONSTALL. I offer the amendment for the Senator from Tennessee, and am glad to take it to conference.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

LEGISLATIVE PROGRAM

Mr. KNOWLAND. Mr. President, for the information of the Senate—and I call this matter to the attention of the acting minority leader—and inasmuch as a number of Members have asked me about the legislative program for the remainder of today and for tomorrow—for we shall have a Saturday session—and also for the first part of next week, I should like to make a brief statement at this time. I have tried to keep the entire Senate informed as fully as possible and as far in advance as possible.

We shall continue consideration of the second independent offices appropriation bill today until we dispose of it; if necessary, we shall have a night session. Of course I have no idea how much debate there will be on the bill.

If it is possible to dispose of the second independent offices appropriation bill in sufficient time today, it will then be my purpose to move to have the Senate proceed to the consideration of Senate bill 1569, Calendar 443, relating to investigation by the Civil Service Commission of persons receiving Atomic Energy Commission fellowships. That bill will be followed by House bill 5302, Calendar 502, providing for an additional Assistant Postmaster General; and then in the order stated, Senate Resolution 127, Calendar 508, authorizing the Committee on Agriculture and Forestry to make an investigation of the importation of wheat unfit for human consumption; and Senate bill 122, Calendar 465, relating to the conveyance of certain property to the city of Rupert, Idaho; and House bill 4072, Calendar 472, relating to the disposition of certain recreational demonstration project lands in Virginia.

Following that, on tomorrow we shall have from the Committee on Agriculture and Forestry the wheat-agreement bill, which has a deadline. The chairman of the committee stated the other day, on the floor of the Senate, that the report on the bill would not be ready until today, because I think during the day the Department of Agriculture makes its estimates for the crops for the year, and the committee was waiting until that in-

formation was available, and then was to hold a meeting this afternoon.

Mr. President, I now ask unanimous consent that the committee be permitted to file its report up to midnight tonight.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KNOWLAND. Mr. President, on Saturday we shall have the wheat-allotment bill. As I have said, I have no idea how much debate there will be on the bill. I would not expect the Senate to remain in a prolonged session tomorrow; we can see what progress we make today. We might meet at 10 o'clock or 11 o'clock tomorrow morning, in order to finish, so that the Members could leave at a reasonable hour tomorrow afternoon.

Mr. GORE. Mr. President, will the Senator from California yield?

Mr. KNOWLAND. I yield to the Senator from Tennessee.

Mr. GORE. Would it be the purpose of the distinguished acting majority leader to finish the wheat-allotment bill tomorrow?

Mr. KNOWLAND. I would hope we could finish the wheat-allotment bill tomorrow. I know of no great controversy about it, although one might develop. We shall have to see how the situation develops. I have been informed that probably it will not take more than a day to dispose of that bill.

Mr. GORE. Mr. President, will the Senator from California yield further to me?

Mr. KNOWLAND. I yield.

Mr. GORE. Would it be the purpose of the acting majority leader to have the session tomorrow continue beyond 6 p. m.?

Mr. KNOWLAND. I hope we shall be able to finish before 6 p. m. In order to do so, I thought we might begin the session tomorrow at 10 o'clock in the morning. At this time I know of nothing to keep the Senate in session beyond 6 p. m. tomorrow; but I would not wish to make a fixed commitment that the session tomorrow will end at 6 p. m., because if we needed only 15 minutes or half an hour more in order to complete action on the bill, I should like to have the Senate to be in a position to do so. I think that would be the better procedure. But certainly I would have no intention of holding a long night session, as we did last night.

On Monday, pursuant to the discussions that took place on the floor of the Senate yesterday, when, at the request of a number of Senators, we laid aside the consideration of the agreement with the Federal Republic of Germany on German external debts, which is on the Executive Calendar, it is planned to take up again the consideration of the Executive Calendar, and to resume the consideration of the agreement to which I have just referred, and also to take up the international wheat agreement, as distinguished from the wheat-allotment bill.

I call the attention of the minority leader to the fact that, as I understand, Senate Joint Resolution 97, which is No. 509 on the Legislative Calendar, as distinguished from the Executive Calendar,

deals with the same subject, and should be taken up at approximately the same time; though when taken up it would be in legislative session, whereas the wheat agreement would be taken up in executive session.

Mr. CARLSON. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield to the Senator from Kansas.

Mr. CARLSON. I wonder whether I understood the acting majority leader correctly. Did he state that the Senate would tomorrow take up the bill dealing with the wheat-acreage allotments?

Mr. KNOWLAND. That is correct.

Mr. CARLSON. I believe the distinguished acting majority leader stated that on Monday the Senate would take up the wheat-allotment bill. Is that correct?

Mr. KNOWLAND. No. I referred to the international wheat agreement. Then, though depending somewhat upon the progress made in the meantime by the Appropriations Committee, on Tuesday I should like to take up the other items on the Executive Calendar, dealing with the NATO status-of-forces agreements. By that time I shall be prepared to make a further announcement regarding the program for the remainder of the week. But I wanted to give as much advance notice to Senators as possible.

SECOND INDEPENDENT OFFICES APPROPRIATIONS, 1954

The Senate resumed the consideration of the bill (H. R. 5690) making appropriations for additional independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1954, and for other purposes.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. COOPER. Mr. President, on behalf of myself, my colleagues, the senior Senator from Kentucky [Mr. CLEMENTS], the senior Senator from Alabama [Mr. HILL], the junior Senator from Alabama [Mr. SPARKMAN], the senior Senator from Tennessee [Mr. KEFAUVER], the junior Senator from Tennessee [Mr. GORE], the senior Senator from Mississippi [Mr. EASTLAND], and the junior Senator from Mississippi [Mr. STENNIS], I offer an amendment.

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 10, after line 24, it is proposed to insert the following:

Resource-development programs: \$1,750,000 for resource-development programs pursuant to the Tennessee Valley Authority Act of 1933, as amended.

Mr. HILL. Mr. President, would the Senator from Kentucky like to have a quorum call before he begins his speech?

Mr. COOPER. It is agreeable to me if the Senator desires to suggest the absence of a quorum.

Mr. HILL. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The absence of a quorum has been suggested. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Gore	McCarthy
Anderson	Green	McClellan
Barrett	Griswold	Millikin
Beall	Hayden	Monroney
Bennett	Hendrickson	Morse
Bricker	Hennings	Mundt
Bridges	Hickenlooper	Murray
Bush	Hill	Neely
Butler, Md.	Hoey	Pastore
Butler, Nebr.	Holland	Payne
Byrd	Humphrey	Potter
Capehart	Hunt	Purtell
Carlson	Ives	Robertson
Case	Jackson	Russell
Chavez	Jenner	Saltonstall
Clements	Johnson, Colo.	Schoeppel
Cooper	Johnston, S. C.	Smith, Maine
Daniel	Kefauver	Smith, N. J.
Dirksen	Kennedy	Sparkman
Douglas	Knowland	Stennis
Dworshak	Kuchel	Symington
Eastland	Langer	Thye
Ellender	Long	Tobey
Ferguson	Magnuson	Watkins
Flanders	Malone	Welker
Frear	Mansfield	Wiley
George	Martin	Williams
Gillette	Maybank	Young
Goldwater	McCarran	

Mr. SALTONSTALL. I announce that the Senator from Pennsylvania [Mr. DUFFL] and the Senator from Ohio [Mr. TAFT] are necessarily absent.

Mr. CLEMENTS. I announce that the Senators from Texas [Mr. DANIEL and Mr. JOHNSON], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Oklahoma [Mr. KERR], the Senator from West Virginia [Mr. KILGORE], the Senator from New York [Mr. LEHMAN], and the Senator from Florida [Mr. SMATHERS] are absent by leave of the Senate.

The PRESIDING OFFICER (Mr. GRISWOLD in the chair). A quorum is present.

The question is on agreeing to the amendment offered by the Senator from Kentucky for himself and other Senators.

Mr. COOPER. Mr. President, the purpose of the amendment which I have offered is to add to the appropriation for the Tennessee Valley Authority the sum of \$1,750,000, to maintain the resource-development program now carried on by the Authority within the area of its jurisdiction.

On page 9 of the pending bill, in line 21, it will be noted that a total sum of \$188,371,000 is appropriated for all of the purposes of the Tennessee Valley Authority. The amendment which I offer would add the sum of \$1,750,000 for the specific purpose of maintaining the resource-development program. The original estimate for this program, presented to the Congress by the outgoing administration, was \$2,377,000. Some months later, and after a careful study of the justification presented by the TVA, and of the estimates which had been developed by the Bureau of the Budget and President Truman before the end of his administration, the new administration and President Eisenhower presented to the Congress a revised estimate for the Tennessee Valley Authority. In the revised estimate the item of resource development was included—an appropriation in the amount of \$2,209,000 for the program, a reduction of but \$168,000 from the original budget estimate. The House of Representatives eliminated the entire sum. The Senate Appropriations

Committee has followed the action of the House and has likewise eliminated the entire appropriation for this program. It has failed to make any additional appropriations for the program. The sum of \$1,750,000 provided in the amendment which I have offered, for myself, for my colleague, Senator CLEMENTS, of Kentucky, for the Senators from Tennessee [Mr. GORE and Mr. KEFAUVER], for the Senators from Alabama [Mr. HILL and Mr. SPARKMAN], and for the Senators from Mississippi [Mr. EASTLAND and Mr. STENNIS], represents a reduction of \$459,000 from the request of President Eisenhower.

It may be asked, upon what basis, upon what facts do the sponsors propose a reduction in the amount of \$2,209,000 which had been fixed in the estimates of the new administration?

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. COOPER. I yield.

Mr. SALTONSTALL. I call the Senator's attention to page 4 of the committee report, under the subhead "Tennessee Valley Authority." The Senator will note that the committee agreed with the disallowance by the House of \$2,209,000, but included, as did the House, \$230,000 for administrative and general expenses of the program. This was to provide for the gradual elimination of the program. But the Senate committee, in addition to what was done by the House committee, stated that TVA might spend \$654,000 out of its funds otherwise available for resource development work, on the forests, because it was believed that that was important. So while we cut back \$2,209,000, we stated that out of all TVA resources, including the \$188 million appropriation, it could spend \$654,000 for forest resource work.

Mr. COOPER. I am familiar with those provisions. I believe, however, that the committee may be in error in stating that \$230,000 is to be used for administrative and general expenses of the resources program. My information is that the sum of \$23,000 is to be used for administrative and general expenses in connection with a number of programs, including the resource-development program.

Mr. SALTONSTALL. I think he is incorrect in his statement. The \$230,000 is specifically allocated to the resource-development program.

Mr. COOPER. I am very glad to know that. But I may say to the Senator I am familiar with the direction of the committee that \$654,000 may be used by the Authority for its forest program; but I think it would depend entirely upon whether funds were available. I intend to direct my remarks to that point in just a few moments.

I was saying awhile ago, it may be asked why the sponsors of the amendment decided to reduce their request to the sum of \$1,750,000 rather than the sum which had been suggested in the estimate of the new administration. I may say frankly, we have had several discussions about this matter. We agreed that, taking into account the necessary drive for economy and also

the temper of the Congress, which has been demonstrated by both of the committees, we considered that this sum would be a reasonable amount to allow the Tennessee Valley Authority for the purpose of carrying out its resource-development program this year. We did not reach the figure of \$1,750,000 merely by deciding upon a flat sum, but we went carefully through the items which had been presented in the justification of the TVA, and thus arrived at the figure.

I should like to say that while we are interested in the approval of the sum by the Senate, our chief interest is in the maintenance of the resource development program as an integral part of the Tennessee Valley Authority. If the amendment I offer is not adopted and if no appropriation is made by the Congress, the effect will be to eliminate and to abolish the resource development program of the Tennessee Valley Authority.

This conclusion is borne out by the report of the committee, and I now read from page 4 of that report:

The committee directs the Authority by the end of fiscal year 1954 to turn over to Federal, State, or local governments or public or private agencies the responsibility for continuing their respective parts of the resource development program, so that no further appropriations may be required to the Authority for that purpose.

The only conclusion that can be drawn from the statement I have read is that it is expected by the Appropriations Committee, and it will be the determination of the Congress, if we fail to make the appropriation, to abolish and eliminate the resource development program as a part of the TVA work.

I doubt very much that this body and the Congress, upon a careful consideration of what is being proposed, will want to do that. I believe that if it is carefully considered, Congress will maintain, as it has maintained for the past 20 years, this program as an integral and basic part of the programs of the TVA.

Mr. President, what is the resource development program of the TVA? A casual reading of the items designated in the justification presented to the Senate Committee on Appropriations by Mr. Gordon Clapp, Chairman of the Board of TVA, gives an indication of its nature. We see the items "Agricultural resource development," "Forest resource development," "Tributary watershed development," "Mineral resource and reservoir development."

I want to develop my basic theme that this program is an integral part of the Tennessee Valley Authority program as contemplated by the original act, and that if the Congress eliminates it, it will eliminate and deny one of the original purposes of the act.

I should like to quote from the original TVA Act, Public Law No. 17, 73d Congress, approved in 1933. I believe the distinguished Senator from Alabama [Mr. HILL] was one of the authors of the act.

In the first section, indicating the purposes of the act, we find this language:

Be it enacted, etc., That, for the purpose of maintaining and operating the properties now owned by the United States in the vicin-

ity of Muscle Shoals, Ala., in the interest of the national defense and for agricultural and industrial development—

I repeat, "for agricultural and industrial development"—

and to improve navigation in the Tennessee River and to control the destructive flood waters in the Tennessee River and Mississippi River Basins, there is hereby created a body corporate by the name of the "Tennessee Valley Authority."

In the very first section of the original act there was established, as one of the purposes of the act, agricultural and industrial development.

I read from section 22 of the act to recall the purposes which motivated those who drew the act and of which Congress must have had knowledge when it passed the act.

SEC. 22. To aid further the proper use, conservation, and development of the natural resources of the Tennessee River drainage basin and of such adjoining territory as may be related to or materially affected by the development consequent to this act, and to provide for the general welfare of the citizens of said areas, the President is hereby authorized, by such means or methods as he may deem proper within the limits of appropriations made therefor by Congress, to make such surveys of and general plans for said Tennessee Basin and adjoining territory as may be useful to the Congress and to the several States in guiding and controlling the extent, sequence, and nature of development that may be equitably and economically advanced through the expenditure of public funds, or through the guidance or control of public authority, all for the general purpose of fostering an orderly and proper physical, economic, and social development of said areas; and the President is further authorized in making said surveys and plans to cooperate with the States affected thereby, or subdivisions or agencies of such States, or with cooperative or other organizations, and to make such studies, experiments, or demonstrations as may be necessary and suitable to that end.

In section 23 we see elaborated the general purpose of industrial and agricultural development:

SEC. 23. The President shall, from time to time, as the work provided for in the preceding section progresses, recommend to Congress such legislation as he deems proper to carry out the general purposes stated in said section, and for the especial purpose of bringing about in said Tennessee drainage basin and adjoining territory in conformity with said general purposes (1) the maximum amount of flood control; (2) the maximum development of said Tennessee River for navigation purposes; (3) the maximum generation of electric power consistent with flood control and navigation; (4) the proper use of marginal lands; (5) the proper method of reforestation of all lands in said drainage basin suitable for reforestation; and (6) the economic and social well-being of the people living in said river basin.

Mr. President, I have quoted the first section and sections 22 and 23 of the act, to recall to this body that in the initiation of the TVA program there was included as one of its major objectives the program of agricultural and industrial development. I point out that a careful reading of those sections will show that it was anticipated that it would be a program which would be decentralized, and one which would be carried out in cooperation with local gov-

ernmental bodies and with private agencies.

There was another objective which was envisaged and which has been carried into operation, namely, that the program should be designed to benefit the Nation as well as the Tennessee Valley area. We have heard the charge that it is a program which is solely for the benefit of the valley area.

But those who wrote the act, those who supported it, saw—and it is specifically stated in the two sections I have read—that it would provide opportunities for study, experience, and demonstration that would be valuable to the several States. That has actually happened.

The program we are talking about, which is small in terms of total appropriations, has been one valuable to the area directly affected, to the drainage area of the Tennessee River, but also to the entire country. If it is eliminated this year—and if so, it will be finally eliminated—it will reflect the judgment of Congress that the program has no value to the Nation as a whole. There is no question that it has value to the particular area involved, so the real decision Congress would make would be that it has no value to the Nation as a whole. That is a decision I hope Congress will not make.

Although I cannot make the statement as an absolute fact, I am informed that since the act was passed, with the exception perhaps of 1 or 2 years, Congress has never failed to make an appropriation for this program. I believe that at one time there was an appropriation of \$7 million. The appropriation has usually varied from approximately \$2 million and at times something less than that, to \$7 million.

I wish to point out to Senators on this side of the Chamber that under the Republican Congress of 1947 and 1948, the appropriation for the program in one of those years was much larger than the amount named by the amendment I offer for myself and my colleagues.

I know the Tennessee Valley Authority has been a subject of controversy. It is only natural that a program unique in its philosophy, development, and operations should be the subject of controversy. During the 20 years since its establishment, it has been brought each year under close scrutiny by committees of Congress, including the Senate and House Committee on Public Works and the Senate and House Committee on Appropriations, and by various investigating committees, and also in debate in almost every session, with questions being raised about its validity, the value of its operations, and its success.

Mr. GORE. Mr. President, will the Senator yield?

Mr. COOPER. I yield.

Mr. GORE. I wish to substantiate the statement made a moment ago by the able and distinguished junior Senator from Kentucky. No Congress yet has failed to appropriate funds for the resource development program. During the 80th Congress it was my privilege to serve on the House Committee on Appropriations as a member of the particular subcommittee handling this item. No

suggestion that I know of, was made in the 80th Congress, to eliminate the program completely. It has been a constant part of the TVA. Indeed, as the Senator has so ably said, it is an integral part of it.

Mr. COOPER. I thank the Senator from Tennessee. I was just saying that while the program has been controversial, it has been under scrutiny for 20 years. I shall not take the time of the Senate to detail all the subjects of controversy.

Mr. HILL. Mr. President, will the Senator yield?

Mr. COOPER. I yield.

Mr. HILL. It is true that as such activities as the building of more dams, for instance, naturally have increased, TVA in and of itself has progressively reduced its requests for such programs, and has more and more stimulated the cost being carried by States, counties, colleges, and universities. Is not that correct?

Mr. COOPER. That is true. I shall submit some figures on that subject presently.

Among the controversial issues that have arisen in connection with TVA was of firming hydroelectric power by the construction of steam plants. Another is the provision which enables TVA to reinvest a part of its receipts. Another is the resource development program.

The point I make is that after 20 years of debate, investigation, examination, and scrutiny, there never has been a Congress that has rejected or denied any of these features of TVA. In fact, in 1938 or 1939 Congress authorized the Tennessee Valley Authority to purchase utility plants in the area. I do not plan to discuss that; I am simply using it as an example.

In the 80th Congress, in 1947 and 1948, not a single unique aspect or principle of the Tennessee Valley Authority was rejected. It was supported by appropriations. In fact, there was initiated in that Congress the idea of steam plant construction, which has become such an essential part of the program. In 1948 the Senate passed a bill authorizing steam plant construction, but the bill did not pass the House.

Mr. DIRKSEN. Mr. President, will the Senator from Kentucky yield?

Mr. COOPER. I yield.

Mr. DIRKSEN. Before the Senator from Kentucky gets away from the resource item, I hope he will indulge me for a moment, before I leave the Chamber to attend a meeting of the Committee on Appropriations, to allow me to refer to an editorial published in the Knoxville Journal of June 29. In its first part the editorial rather confesses a lack of hope that the steam plant and other items will be restored. Then it says:

We continue to hope that at a minimum there will be restoration of some \$600,000 asked by TVA for maintenance of its Forestry Division.

I think the editorial is very significant, because it has this further comment to make:

If the Tennessee Valley is lucky enough to get even this restoration this year, then

the State government of Tennessee, and the governments of other valley States, need to be on notice that there is no assurance that even this department of the resources development program will be continued by Congress indefinitely.

This is the significant part:

For a good many of TVA's activities over the years there are substitutes, ready to function at a moment's notice, in already established agencies of the Federal Government. These departments have simply been held out by TVA's "keep out" signs where the Tennessee Valley was concerned.

When the editorial speaks about the other items, it is, of course, speaking of field surveys, tributary stream surveys, map service, and so on. But one item that was picked out was the item of the Forestry Division. With respect to that, the editorial says:

There is no Federal agency which adequately duplicates the work of the TVA Forestry Division, which is the reason we say that the States in the TVA area need to get ready to take over the program which the authority has inaugurated in this field.

The subcommittee went into the field of forestry development, and in its action the full committee concurred. There is \$654,000 in the bill for forestry development. That is the item alluded to in the editorial. The editorial says that is the one item which the States are not adequately equipped and tooled to carry on for a little while. But with respect to all other items, the editorial says there are substitutes that can function at a moment's notice.

That editorial was published in the largest newspaper within the Tennessee Valley Authority area, the Knoxville Journal. Certainly this newspaper has been adequately informed, over the years, as to what the TVA operation is like and what it needs. I believe it is exceedingly persuasive in connection with the action that was taken by the subcommittee, in which the full committee concurred.

Mr. COOPER. First, I must say that I can not agree—although the Senator is a member of the Appropriations Committee—that the action taken directing that money may be used for the forest program, is the same as an appropriation, because it depends upon availability of money.

The second point I make is in connection with the direction in the Committee Report that the program be taken over by other agencies. This direction can not be interpreted as anything else than direction to kill the program.

Mr. KEFAUVER. Mr. President, will the Senator yield for a question?

Mr. COOPER. I yield.

Mr. KEFAUVER. The distinguished Senator from Illinois has read from an editorial in the Knoxville Journal, which supports the Forest Service program, but suggests that the States or some other agencies might take over the other services. I do not want to get into an argument about which newspapers support the Tennessee Valley Authority, or to what extent they do so. However, is not the Senator aware that almost every newspaper in the Tennessee Valley, with the exception of the Knoxville Journal, has very substantially and heartily sup-

ported the whole resource development program of the Tennessee Valley, and that the Knoxville Journal is the only newspaper which singled out the forestry part of the program to support?

Mr. COOPER. Frankly, I do not know the position of the newspapers in Tennessee. I do not live in Tennessee.

Mr. KEFAUVER. If the Senator will take my word for it, that is the situation. I think no program has had fuller support of the people, the press, and of everyone who has any connection with the TVA, than the resource development program.

Mr. COOPER. It would be natural for various sections of the area to emphasize the programs which they felt were most important to them. It may be that forestry is most important in that particular area. I do not live far from Knoxville. However, I do not believe the discussion reaches the issue about which I am speaking. I hope to develop in a few minutes the unique significance of this program and the way it differs from the usual Federal agency activity.

Mr. DIRKSEN. Mr. President, will the Senator from Kentucky yield?

Mr. COOPER. I yield.

Mr. DIRKSEN. I ask unanimous consent, in connection with the interposition into the Senator's remarks, that the entire editorial to which I alluded a moment ago be printed in the Record at this point as a part of my remarks.

Mr. COOPER. I ask that it be printed at the conclusion of my remarks.

Mr. DIRKSEN. Very well.

The PRESIDING OFFICER. Without objection, the editorial may be printed as requested.

(See exhibit 1.)

Mr. COOPER. A few minutes ago I was saying that for 20 years this program has been confirmed by the Congress, and that it was confirmed in the 80th Congress. I should like to point out that the new administration has also confirmed in its budget estimate the programs of the Tennessee Valley Authority, including its resource development program, by placing in the budget recommendations for appropriations, and particularly for the resource development program. If the program is eliminated, it will be the responsibility of the Congress, rather than of the executive branch.

Mr. KEFAUVER. Mr. President, will the Senator yield for a question?

Mr. COOPER. I yield.

Mr. KEFAUVER. Is it not true that the Director of the Budget and the President approved for resource development a much larger sum, by about \$450,000 or \$500,000, than is included in the amendment of the Senator from Kentucky?

Mr. COOPER. Yes. As I stated at the beginning of my remarks, the amount which we propose is \$459,000 smaller than the amount proposed in the budget of President Eisenhower.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. COOPER. I yield.

Mr. SALTONSTALL. I should like to invite the Senator's attention to certain facts. He is interested, as are the Senators from Tennessee and Alabama, in

the resource development program. I am confident that there is no feeling on the part of the members of the committee, in reducing this item to \$654,000, that such development in Tennessee should be eliminated.

I call the Senator's attention to the fact that in the appropriations for the United States Department of Agriculture there is to be spent in the Tennessee Valley Authority area \$19,606,483 for the following purposes: Soil Conservation Service, flood prevention in upstream areas, agricultural conservation program, county committee conservation aids to farmers, Bureau of Plant Industry, Forest Service, and so forth. These activities would employ approximately 1,000 persons. In addition, for expenditure in the same TVA area, the Fish and Wildlife Service in the Department of the Interior has \$128,251 to be spent for the management of resources and the investigation of resources.

I call the Senator's attention to the fact that under the TVA program which the Senator has been discussing, and with respect to which he has offered an amendment, the item for agricultural resource development is \$250,000; for economic analysis of valley agriculture, \$47,000; and soil survey, \$53,000. The Department of Agriculture is spending \$14 million for soil conservation. It seems to me that is exactly the same subject. There are appropriations for agricultural engineering, and many other activities. The committee advocates the spending of \$654,000 for forest resource development. Other expenses are indicated.

The Senator from Alabama [Mr. HILL] stated that these amounts were being decreased and not increased. I call attention to the fact that these appropriations are on the increase, and that the administrative amount has been on the increase over the years 1952 and 1953. The appropriation recommended for this year in the Truman budget was \$2,377,000. That was reduced to \$2,209,000. The previous year it was \$2,260,000, or about \$100,000 less. In 1952, it was \$1,880,000 or approximately \$400,000 less. The amounts for administration have gone up from \$188,000 to \$210,000, and then to \$230,000.

All the committee had in mind was that the TVA is now a working program. It is a reality. It has been there for a great many years. These developments are now being done either by local agencies, State agencies, or other regular agencies of the Federal Government. There is no effort on the part of the committee to cut out the development of forestry or agriculture in the TVA area.

Mr. COOPER: Mr. President, I respond by saying that the argument which the Senator has made points up the difference between the viewpoint I am trying to present and the viewpoint which is indicated by the action of the Appropriation Committee. It is because there is a difference in the work of other agencies of the TVA that we are asking the maintenance of this program.

The Senator has stated that funds are available to the area from the Agriculture Department, the Department of the Interior, and other departments. Of course such funds are available. Such funds or a part of them have been available every year since the TVA was authorized. When the act was passed, most of the programs referred to were then in operation. One purpose of the act, was to demonstrate the orderly development of an area embracing several States in a great river valley through the cooperation of various agencies, Federal and State municipalities, and State governments, as well as private agencies.

This is an advantage to the entire Nation. The questions that have been asked by my good friend show that if the decision is carried out we would destroy one of the purposes of the original act.

Mr. HILL. Mr. President, will the Senator yield?

Mr. COOPER. I yield.

Mr. HILL. The Senator from Alabama pointed out that the requests for funds had progressively come down and had been reduced. The distinguished Senator from Massachusetts quoted from page 58 showing the figures for 1952 and 1953. The figures have not varied too much in the past 2 years, but they have been progressively decreased from the time the Tennessee Valley Authority was started. There has been a continual reduction in the amount of funds. In that connection I should like to call the attention of the Senator from Kentucky to page 59, and I should like to read this statement:

The extent to which the region—

That is the Tennessee Valley area—has responded is evident in the fact the 7 valley States spent \$37,786,000 of their own funds for major programs in the resource field in 1950. Their comparative expenditures for 1934 totaled only \$5,595,000.

In other words, from 1934 to 1950 the States increased their funds something like sevenfold, whereas, if we go back to 1934 and examine all the figures we will find that there has been the progressive reduction in the requests and expenditures by the Tennessee Valley.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. COOPER. I yield.

Mr. SALTONSTALL. I will say, in response to my good friend from Alabama, that the Department of Agriculture in the same year spent some \$19 million, and the Interior Department spent \$128,000.

Mr. HILL. Yes. I hope the Senator from Massachusetts will be on the floor when the time comes for me to make my statement. The Senator from Kentucky is making a very fine speech, and I shall seek in my own remarks to reinforce his forceful and excellent argument.

Mr. COOPER. I thank the Senator. I am certain that with his knowledge of the subject his speech will be very instructive.

As I said a moment ago the colloquy with my good friend, the distinguished

Senator from Massachusetts, only serves to distinguish the two points of view and reinforces my opinion that if the amendment is refused by the Congress it will mean the destruction of one of the purposes of TVA.

We know that certain Federal programs are in effect, such as agricultural crop payments, the Soil Conservation Service, and the Extension Service. Some functions in the few counties in my State which TVA serves. These agencies operate in Tennessee, Alabama, and Mississippi and every State. Each State has its own program. Each State has its own problems. The significant point about the resource-development program is that it is designed to coordinate the activities of the various organizations—Federal, State, and private—with the purpose of providing the country research and experimental programs, as well as demonstration of a cooperative program for an area.

Mr. HILL. Mr. President, will the Senator yield?

Mr. COOPER. I yield.

Mr. HILL. As the Senator from Kentucky has well said, this program has done very much more than any other Federal program whether by the Department of Agriculture, the Department of the Interior, or any other department, to stimulate, and to encourage the States, counties, colleges, universities, local communities, and private agencies to make much greater contributions to the program. Is that not correct?

Mr. COOPER. That is undoubtedly one of the purposes of the program.

Mr. HILL. It has shifted much of the responsibility from the Federal Government, as the Senator from Kentucky has stated, to the States, counties, and communities.

Mr. COOPER. And it has had its effect not only on the area but on the whole country. We know that the TVA has attracted the attention of peoples from other countries, perhaps more than any other project in the United States. It is in fact a demonstration plant for other nations. One of the obvious values of TVA is its use as a yardstick for power rates, another is its influence on rural electrification, to the direct economic benefit of millions of people throughout the country.

These values have been demonstrated. The resource development program, which we are discussing, likewise has had its influence in other States throughout the Nation. Its research projects, its demonstration projects, and the cooperative work of local governmental bodies and local agencies, elusive to describe, have been of benefit to the whole country.

Mr. President, you may ask me to explain in what way the programs of agricultural resource, forest resource, and the other resource development programs are of value to the Nation. In the first place, the research and experimental studies in soils and forage crops, animal industry, in the whole field of forest conservation, and in the economic use of timber products, are an invaluable source of information for the National

and for State Governments and for private associations throughout the country.

Federal and State programs in agriculture and in other fields are, of course, invaluable, and we support them, but they are more general in their nature and in their application. The TVA resource development program intensifies their work in a specific area. As an example, the Tennessee Valley is one of the major timber areas in the United States, and offers an unsurpassable opportunity for work in forestry resources of value to the Nation.

A third subject upon which I wish to touch briefly is the emphasis of the resource development project on decentralization and the assumption of responsibility by local governmental bodies and agencies. The TVA furnishes its technical services and its demonstration services to the universities of the area, to State and county governments, to farm organizations, and to farmers' groups, and urges them to assume responsibility for the advancement of the area.

I am informed that some 1,200 agencies, public and private, have begun work in this area since the commencement of TVA.

I am informed that at the time of the commencement of this program, approximately \$8 million was being spent by local agencies for resource development in the area; and that now, due in great part to the leadership of TVA, some \$44 million is being spent on resource development.

It is, of course, impossible to estimate the value of the technical services being furnished to the cooperative programs.

I return to my central question, and it is the question upon which we shall be successful or shall fail—namely, whether Congress wishes to continue one of the principal purposes of the original Tennessee Valley Act, one which has been confirmed every year since the enactment of the act, or whether this year Congress wishes to end it.

I have noted in the debates on the appropriation bills at this session, a tendency to use the authority and prestige of the White House to bolster an argument in behalf of a given appropriation item. If the item in question is included in the estimate, that fact is used as an argument for retention or restoration of the item. I do not base my case on that argument alone. I do say that the President of the United States considered the TVA program at some length. After his consideration, the revised estimates were presented to the Congress. The revised estimate included \$2,209,000 for resource development. He had said previously he favored the purposes of the Tennessee Valley Authority and would support it.

It has been charged that the President has not done so. I deny the statement. I said on the floor of the Senate several days ago and I repeat that the budget which he approved and sent to the Congress is the proof of his support. His budget recommended generous appropriations, the continued construction of 9 steam plants, 2 new steam plants, and the retention of the resource development program. His action is the proof of his interest and support.

In 1947, when I began my service upon the Senate Committee on Public Works, I did not have any settled views regarding the value of the Tennessee Valley Authority. In that committee I was able to secure a great deal of information about the operation and purposes of the TVA. I do not agree with all its operations. I think there are natural limits to its physical operations, and that is in the Tennessee Valley watershed. If it is to be preserved, the TVA authorities and the people of the area must recognize that it has limits. Furthermore, I hope the TVA authorities will take the initiative in devising ways by which it can help finance—with the authority of Congress—its own expansion and power needs within the limits of the area. The people of the area should not be made wholly dependent on appropriations of the Congress. With these reservations I am convinced that the TVA program has been of great value to the Nation. I am concerned about the possibility that this Congress may eliminate a part of the program. I say frankly that I am concerned about the possibility that my party may eliminate part of the program. The President has not eliminated it. If it is eliminated, it will be done by the Congress and, I say, reluctantly, chiefly by my own party.

Mr. President, I am under no pressure of any kind from my State to support the TVA. Its operations are limited in Kentucky, but I think it is important that it be supported. This year Congress is engaged in a necessary and prior task which has been forced upon it by the excesses of the past; I refer to the task of placing the Nation's financial affairs in order.

Mr. LANGER. Mr. President, will the Senator from Kentucky yield for a question?

The PRESIDING OFFICER. Does the Senator from Kentucky yield to the Senator from North Dakota?

Mr. COOPER. I yield.

Mr. LANGER. I desire to commend the distinguished Senator from Kentucky for offering the amendment. I think it is one of the best that has been offered, and I believe the people of the United States are overwhelmingly in support of such an amendment.

Let me say further that the distinguished Senator from Kentucky has rendered outstanding service on the floor of the Senate, and is recognized as one of the most distinguished and able Members of this body.

Mr. COOPER. I thank my good friend, the Senator from North Dakota.

Mr. President, I was saying that Congress must face the difficult fiscal problems confronting it. We must take unpopular actions in reducing expenditures because of the waste of past years and the defense necessities of the present. Progress is being made as we approved a sounder financial base. I am hopeful that my party will recognize that there are social and economic responsibilities that the people expect us to act upon. I hope our action will not be long postponed.

Mr. President, I class this project as coming within that category.

I urge that the Congress shall not take the step proposed by the Senate Appropriations Committee but that the Senate and the Congress accept our amendment, which is a reduction of estimates of the present administration. Let us give the administration the chance in its first year to determine the reasonable programs that can be worked out for TVA in the future. The TVA has the responsibility of examining itself and presenting to the administration and the Congress every fact and every plan which can be helpful in the formulation of a program for the future which can sustain its value. It ought to develop ways to help finance its power expansion program.

I urge that my colleagues not take it upon themselves, without giving the administration a chance, this year, to work out its own program—to eliminate an integral and basic part of the program of the Tennessee Valley Authority.

EXHIBIT I

[From the Knoxville Journal of June 29, 1953]

EVEN IF TVA FORESTRY CUT RESTORED, STATES MUST GET READY IN THIS FIELD

While hope appears to have to have waned that Congress is likely to do anything about the \$60 million cut in TVA appropriations, including \$30 million for the Fulton steam plant, we continue to hope that at a minimum there will be restoration of the some \$600,000 asked by TVA for maintenance of its Forestry Division, the activities of which have been discussed here previously.

If the Tennesse Valley is lucky enough to get even this restoration this year, then the State government of Tennessee, and the governments of other valley States, need to be on notice that there is no assurance that even this department of the resources development program will be continued by Congress indefinitely. In other words, State governments are going to have to assume the responsibility, and expense, for the kind of work in reforestation and firefighting to which TVA has contributed and for which it has provided leadership.

For a good many of TVA's activities over the years there are substitutes, ready to function at a moment's notice, in already established agencies of the Federal Government. These departments have simply been held out by TVA's "keep out" signs where the Tennessee Valley was concerned.

There is no Federal agency which adequately duplicates the work of the TVA Forestry Division, which is the reason we say that the States in the TVA area need to get ready to take over the program which the Authority has inaugurated in this field. This State's forestry department has never amounted to much, for example, not because of anything wrong with the people or the activities of the few persons in the department, but because the legislature was never persuaded by any governor to provide enough money to really put on a program comparable to TVA's.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Kentucky for himself and other Senators.

Mr. HILL. Mr. President, I desire to commend and congratulate the distinguished Senator from Kentucky upon his very able and very excellent speech in behalf of the amendment. I strongly urge the adoption of his amendment.

Mr. KEFAUVER. Mr. President, will the Senator from Alabama yield to me,

to permit me to suggest the absence of a quorum?

Mr. HILL. Yes, if I may have unanimous consent for that purpose.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KEFAUVER. Mr. President, I now suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. SALTONSTALL. Mr. President, with the approval of the distinguished Senator from Tennessee, I ask unanimous consent that the order for a quorum call be rescinded and that further proceedings under the call be dispensed with.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Massachusetts? The Chair hears none, and it is so ordered.

Mr. HILL. Mr. President, when the quorum call was ordered, I had just expressed my commendation and congratulations to the distinguished Senator from Kentucky [Mr. COOPER] upon the very able and excellent speech he made in behalf of his amendment, which is now before the Senate. I rise in support of the amendment offered by him.

When the House voted to eliminate all the funds requested by TVA for the activities listed in its budget under "Resource development", it pronounced a death sentence on the most encouraging experiment this Nation has ever seen in this field. That sentence is now proposed to be approved by the Appropriations Committee of the Senate, with only partial commutation for a single activity suggested in the committee report. If it were to prevail, this action would strike a blow at the most effective use of the Federal dollar in this field, anywhere in the United States. If it were to prevail, this action would end the only Federal resource development program deliberately designed to shift responsibility to States and counties and communities, and to reduce progressively the burden on the Federal Treasury.

If this action stands it will be a triumph for the apostles of centralization, ultimately a victory for the "spenders," an affirmation of the principle that the Federal Government should "go it alone" in the field of resource development. So far as the Tennessee Valley is concerned, such an action would turn the clock back 20 years. Instead of a unified program under the leadership of a regional agency, dozens of competing Federal bureaus will be carrying out their independent programs and separate activities. If this action stands, it will not be long before this region, like other areas today, will be seeking complicated and expensive measures to coordinate the bureaus, to build a bridge, so to speak, from jurisdiction to jurisdiction. What is basically at issue here today is not the appropriation of about \$2 million to be spent for specified activities in a region including parts of 7 States. What is basically at issue here is the survival of a great idea and a method. The idea of the unified approach to resource development is at stake; the methods of de-

centralization it has developed are in jeopardy.

No one has suggested that the activities undertaken by TVA have not achieved results. No one has accused the TVA of extravagance or maladministration. I have heard no one propose that the Federal Government is to abandon its concern for the development of the minerals and the forests, the land and the water—the natural resources upon which our national strength and the prosperity of our people must be based. The central idea behind the TVA is recommended for liquidation without a word of explanation. True, the House committee report suggests that the States might carry on the programs it recommended for elimination, or that TVA itself might continue to support them out of revenues. Now the facts are that TVA could not, under the law, support these programs from its income, and that States and counties, colleges, and communities are already participating in these activities in every case. The projects chosen to be terminated are joint projects. What is now proposed is that one partner should abruptly overnight retire from participation.

The House committee report adds that the Department of Agriculture and the Department of the Interior also carry on activities in the Tennessee Valley. The inference to be drawn is that the committee would expect these Federal agencies to take up the work abandoned by TVA, an expectation echoed by a phrase in the report of the Senate committee. Is this suggested in the name of economy? Are the people of the Tennessee Valley to have no voice in this decision? Is the whole idea of regional coordination to be summarily abandoned in the Tennessee Valley?

I confess that I am baffled by this proposal to strike at the heart of the TVA. We hear a great deal about the necessity for the coordination of various Federal activities in other regions of the Nation. In the Columbia Valley and in the Missouri Valley, for example, there has been a regionwide protest against the duplication, the historic rivalries of various bureaus and departments of the Federal Government, and their relations individually and as a group to the agencies of State and local governments working in allied fields.

Mr. LANGER. Mr. President, will the Senator from Alabama yield?

Mr. HILL. I shall be happy to yield to the distinguished Senator from North Dakota.

Mr. LANGER. Is it not true that the Missouri Valley program was almost wrecked at one time because of disagreement between the Army engineers and the State authorities?

Mr. HILL. The Senator is exactly correct. I was going to say, a little further on in my speech, that there was so much pulling and hauling, so much crossfire, so much working against each other, each trying to grab something the other was trying to grab, that the result was confusion, inaction, waste, extravagance, and the expenditure of money from which no benefits were received. I wish Senators would consider the TVA

program and understand what it is all about. It is a unified development by one agency, one team, not by many different bureaus, agencies, and departments, each trying to grab off advantages, pulling and hauling against one another, and spending Government funds without results, wasting Government funds.

Mr. SALTONSTALL. Mr. President, will the Senator from Alabama yield?

Mr. HILL. Certainly.

Mr. SALTONSTALL. The Senator says we should understand the situation. I have been to the Tennessee Valley, and I have a little understanding of the operations of TVA, though probably not half so much as has the Senator from Alabama. But, in view of the fact that the TVA is a going concern—it is not a baby; it is a big going concern—it is difficult for me to understand why resource development should be any different in the Tennessee Valley area from what it is in Vermont or Massachusetts or North Dakota, so far as concerns programs which are being conducted by the Department of Agriculture without conflict, and by the Interior Department without conflict, and with good results?

Mr. HILL. Mr. President, I am delighted the Senator from Massachusetts has asked me that question. He will recall that the Flood Control Act of 1936 provided for resource development in areas all over the country outside the Tennessee Valley. The Federal Government today is putting up 88 percent of all the money expended for that purpose. In striking contrast, instead of the Federal Government putting up 88 percent of the money in the Tennessee Valley, the Tennessee Valley Authority has so encouraged and so stimulated the program there as to cause the States, the counties, and the local communities, colleges, and other agencies to carry a greater part of the cost. That is the difference; it is one difference, certainly.

Mr. SALTONSTALL. Mr. President, will the Senator from Alabama yield?

Mr. HILL. I yield.

Mr. SALTONSTALL. Because of the excellent cooperation, the increased local interest, and the development of resources, of which I heartily approve, the Senator from Alabama would not have us withdraw from the Tennessee Valley, would he? The Senator would not have us withdraw the \$19,606,483 which the Department of Agriculture has been authorized to use, would he?

Mr. HILL. The Senator is now talking about the Department of Agriculture. I do not have a breakdown of the figures, but I know the Department of Agriculture is operating in States in that area just as it is operating in States elsewhere. But there is no duplication there. If the Senator will examine into the situation I dare say he will find that most of the \$19 million, if not all of it, is devoted to resource development. Under the unified leadership of TVA, in that region the States, counties, communities, and local interests are putting up far more money for resource development than is being put up in other areas of the United States for that purpose.

Mr. SALTONSTALL. Mr. President, will the Senator yield for one more question?

Mr. HILL. I yield.

Mr. SALTONSTALL. The Department of Agriculture this year is putting up \$14,917,000 in the way of conservation aids to farmers.

Mr. HILL. That is true. The Government is engaged in a great conservation program. The distinguished Senator from Vermont [Mr. AIKEN] who is chairman of the Committee on Agriculture and Forestry, knows about that great program.

Mr. SALTONSTALL. That is what the Department of Agriculture is putting up to finance conservation aids to farmers. In the agriculture resource development under TVA, there is a soil conservation item of \$53,000. That is only one item.

Mr. HILL. There is no conflict between those items. I feel certain the distinguished Senator from Vermont [Mr. AIKEN], the chairman of the Committee on Agriculture and Forestry, will confirm my statement that there is no conflict between those items. It does not follow that there is any conflict between them.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. HILL. I am glad to yield to my distinguished friend.

Mr. AIKEN. I agree with the Senator. I do not think the money is duplicated.

Mr. HILL. Certainly not. The Senator from Vermont is chairman of the powerful Committee on Agriculture and Forestry, and is one of the great authorities on agriculture. No man in Congress or in the United States knows more about the activities of the Department of Agriculture or the subject of soil conservation than does the distinguished senior Senator from Vermont.

Mr. KEFAUVER. Mr. President, will the Senator yield?

Mr. HILL. I yield to the Senator from Tennessee.

Mr. KEFAUVER. Did not a representative of the Fish and Wildlife Service testify before the House committee, in supporting the resource development fund, that there was no duplication in that activity, and that he highly supported the fish and wildlife resource work of the TVA?

Mr. HILL. The Senator from Tennessee is absolutely correct. The testimony was very direct and specific that there was no duplication whatsoever. On the contrary, instead of there being duplication, there was coordination and cooperation, which meant savings to the Treasury of the United States.

Mr. President, I was speaking about the situation in the Columbia Valley and the Missouri Valley. The Senator from Minnesota testified in fine fashion when he spoke about so many duplicating agencies, so many cross currents, so much pulling and hauling as between agencies.

Field offices have been set up by the dozen to bring these programs a little closer to the problems affected. Joint committees have been organized. Res-

olutions have been adopted. Conferences and meetings abound. At great expense, devices have been developed which are advertised as instruments essential to coordinate the activities of the Department of Commerce, the Corps of Engineers, the Department of Agriculture, the Department of the Interior, the Bureau of Reclamation, and so on. These efforts go on interminably. I do not know how successful they are, but, so far as I know, they are approved as steps in the right direction.

Yet, while these cumbersome efforts continue in other regions, the committee proposes to eliminate the most effective coordinating agent that has ever been developed anywhere in this Nation. In the Tennessee Valley, as in no other area of the United States, Federal, State, and local agencies, and public and private organizations, are working together to promote a better system of resource use. TVA is the link that binds them all together.

Everyone knows the record of Federal activities in the resource development field prior to TVA, in the Tennessee Valley as elsewhere. One agency would be given the task of controlling the water in the river; another faced the problems of water on the land. One bureau was concerned with the fish in the waters; another with the commerce using the river as a highway. The fragmentation of Federal responsibilities in the resource development field has been the despair of citizen and legislator alike.

In the TVA act we tried to do something about the problems for one river valley. Here I speak out of personal experience, for I was a member of the committee which considered the legislation in the House, and a member of the conference which adjusted the differences between the Senate and the House. It was no accident that we created one agency to develop the river as a whole, to make all of its benefits available to the people. It was not caprice that led us to avoid the creation of interagency committees or advisory bodies to reconcile conflicting plans and points of view. It was a deliberate effort to make the agency see its job as a whole, and to fix responsibility on its management for the development of methods to achieve results.

When the TVA act was written, we did not stop with the idea of a unified development of the river, although that in itself was an innovation. The Tennessee is still the only waterway developed by one agency of Government, where dams are designed, built, and operated under a single management; where the same management is responsible for flood control, navigation, and power production, for the use of the reservoirs for recreation, and for the conservation of fish and wildlife. TVA was to be a regional resource development agency empowered to see the resources of this valley as a whole; to concern itself with the forests, the soil, and the minerals, as well as with the river. However, there was a difference, in the approach to the development of resources away from the river. Responsibility for the primary control of the

river could not be divided. TVA had to undertake that job itself. But in all the other aspects of the total program, the statute encouraged, and the TVA Board adopted, a program of working through existing State and local agencies to achieve the objective of a better utilization of the resources with which nature had endowed the area.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. HILL. I will yield when I have finished one more sentence.

No other program has gone so far in enlisting the energies, the devotion, and the financial support of State and local governments, colleges, and communities, in working toward a common goal.

I now yield to the Senator from Minnesota.

Mr. HUMPHREY. I wish to say that I am deeply grateful to the Senator from Alabama for his exposition of the development of the Tennessee Valley Authority and its activities.

I think it would help a little to bring into sharp focus what the Senator from Alabama is speaking about in terms of conflict and duplication in some areas of the Nation as compared with TVA to reflect for a moment upon what has happened under the so-called Pick-Sloan plan in the development of the Missouri River, the second largest river within our continental limits. This is not to say that the developments which have taken place are not desirable, because I support them, and the Congress has supported them. But I do say that the conflicts which exist, the waste of funds and energy, and the inevitable delays which come about from conflicts between the Federal agencies and the State and local governments in the Pick-Sloan Missouri Valley development only highlight the smooth sailing and the effective administration to be found in TVA.

Mr. HILL. And the economy.

Mr. HUMPHREY. And the economy. I believe the Hoover Commission made some comments on the Pick-Sloan operation in the Missouri River Basin, and pointed out what the Senator from Alabama is saying, namely, that resource development of a basin nature in an area in a common watershed is literally impossible under the kind of arrangement which exists in the Missouri River Basin development. However, in the TVA, as the Senator points out, we are not only utilizing the Federal Government but we are going down to the high school, the college, the local county agent, and the local soil conservation district. They are all brought into the general plan, as I understand.

Mr. HILL. And more and more of the responsibility and the burden is taken off the Federal Government and imposed on the State and local governments and other agencies to which the Senator has referred.

Mr. HUMPHREY. Mr. President, will the Senator further yield?

Mr. HILL. I yield.

Mr. HUMPHREY. Is it not fair to say that in the area which has been served by the TVA the units of government—State and local—along with the vast

majority of private groups, have found this kind of administration to be economically efficient and to work to the satisfaction of the needs of the community? Is not that the testimony of chambers of commerce, governors, and legislative bodies?

Mr. HILL. The Senator is absolutely correct. Such a program has stimulated the interest and enthusiasm of the people. They are eager to play their part, to carry their part of the burden, so to speak. We do not find that situation to exist anywhere else.

Mr. HUMPHREY. The Senator would be interested to know that in other parts of America, parts which I myself have had the privilege of visiting, where there have been floods, the question of relationships between Federal, State, and local governments is an ever present problem. It complicates no end the programs of flood control and proper resource development. I was in my own State 2 weeks ago. I ran into that very problem in connection with the Army engineers, the local county government, and the State government. There was an inability to work out in time, and economically, arrangements and solutions for the flood-control program they would like to have.

Mr. HILL. When such arrangements are not devised, what happens? A very natural thing happens. They come running to Washington for the Federal Government to do the whole job.

Mr. HUMPHREY. Rather than to assume their share of the responsibility.

Mr. HILL. That is true. A little later I shall give an illustration of what the Senator is describing. We have many local flood-control problems involving small creeks. If we do not work this program out in such a way that the local community, the county, and the local agencies can play their part and be encouraged, stimulated, and required to assume their share of the burden, of course, in the final analysis the burden will fall on the Federal Government.

Mr. HUMPHREY. The Senator might be interested to know that in the northern part of my State there are a series of dams and gates to hold back water in the reservoirs so as to maintain a 9-foot channel in the Mississippi River for navigation purposes. When the flood waters and the heavy rains come in the spring, the water is held back; and because it is held back as long as it is, the entire conservation program of the State Department of Conservation is upset. Some of the farm lands are flooded. There is no integration. The Army engineers have a program to maintain a 9-foot channel in the Mississippi River. In the meantime the State has a program to try to protect fish and wildlife. The Department of Agriculture has a program to try to protect the land. The various agencies do not get together.

Mr. HILL. There are a great many separate authorities with separate responsibilities.

Mr. HUMPHREY. That is correct.

Mr. HILL. Therefore, instead of an overall plan working for the best interests of everyone, there are the various

agencies pulling and hauling and fighting each other, with all kinds of conflicts. Is not that true?

Mr. HUMPHREY. And they usually come to their Senator or Representative to try to have those conflicts resolved.

Mr. HILL. Yes.

Mr. HUMPHREY. I have not been home once this year without having representatives of one or the other of the groups I have mentioned come to me and say, "Can you do something about the Army engineers?"

Mr. HILL. There are many conflicts and cross purposes. Only the Federal Government can do the job.

Mr. HUMPHREY. That is correct.

Mr. HILL. What the TVA has done under its plan, and under the spirit of its law and the methods it has adopted, has been to work out these problems. The greatest possible responsibility has been placed on the local counties and communities, and the local agencies, so as to have them do the maximum part of the job, thereby effecting economies for the Federal Government.

Mr. HUMPHREY. Mr. President, will the Senator yield once more?

Mr. HILL. I am glad to yield to the Senator from Minnesota. He is making a fine contribution.

Mr. HUMPHREY. I have just visited one of the rich agricultural areas of the State of Minnesota. The Chippewa River is ordinarily only a muddy creek. Both the Chippewa River and the Shakopee River are in flood. At a time when there was a drought in the Southwest, we were having very serious floods.

I met with hundreds of farm people. I asked them "To what do you attribute the recent floods?" They attributed them to extra precipitation, because the amount of precipitation had been no greater this year than in some other years in the past, but they pointed out, for example, that the Production and Marketing Administration, in its program of tiling and drainage, had done its job of reclaiming more land by tiling and draining, draining water into ditches which were not equipped from an engineering standpoint to absorb that much extra flow of water. The PMA was doing its job, and doing it well, but the Army engineers had not been notified. The drainage district had not been notified. So there were three or four separate jurisdictions of government, all supposedly doing their jobs well, but the trouble was that when they did their jobs well there was a flood.

Mr. HILL. There was no teamwork.

Mr. HUMPHREY. There was no teamwork at all. Had a program similar to TVA been at work in this area, instead of more than 150,000 acres of the finest land in our State being under flood waters, those waters would have been properly controlled, so that the drainage would have been normal, without flooding, and the land could have been protected. Conservation of fish, wildlife, and fowl would have been promoted, and we would have had a reasonable and sensible program.

What is the solution? I have on my desk telegrams from county governments saying, "Have the Federal Government take over. We cannot do the

job." As a matter of fact, the job could be taken over by the Federal, State, and local governments working together, as the Senator from Alabama is proposing. I vigorously support the program he defends, and for which he has worked so hard and with such great success.

I feel that the United States needs more TVA's. An attack against the TVA is an attack against success. For the life of me I have never been able to see why anyone should want to attack a phenomenal success in a democracy. If people want to spend their time attacking something, they ought to attack the duplication and waste which has gone on in far too many areas of our land, as the Senator has pointed out, where there is inefficiency and lack of coordination.

Mr. HILL. I thank the Senator from Minnesota for the testimony he has given with respect to conditions as he has seen them, among various duplicating and conflicting agencies. He has described the separation and division of responsibility. In the final analysis the burden all falls on the shoulders of the Federal Government.

We talk a great deal about decentralization. We all profess a great belief in decentralization. Surely we give it lip service. I, for one, strongly believe in it. Here is a program of decentralization, in contradistinction to a program operated by the Federal Government from Washington.

Mr. MURRAY. Mr. President, will the Senator yield?

Mr. HILL. I yield.

Mr. MURRAY. I have been listening with deep interest to the remarks of the Senator from Alabama. I know he can very easily answer the question I should like to ask him.

In view of the fact that TVA has been such a phenomenal success and is recognized in the section of the country in which it operates as a most wonderful Federal agency and one which has accomplished much for the people of that area, why is it that there is continued opposition to TVA and continued effort to discredit it and prevent it from continuing in its operations?

Mr. HILL. The Senator knows. He has thoroughly studied the whole question of resource development and regional development, and he is as familiar with the subject as I am. He knows that there are many reasons for the opposition to which he refers. Of course, one reason is the yardstick TVA provides for the production and sale of electric power. That has brought persistent and bitter opposition to TVA. It is the yardstick which TVA applies which certain private companies do not like to have in existence and do not like to have applied to their operations.

Mr. MURRAY. I visited TVA last year. I attended many meetings of the chambers of commerce, of local businessmen, and of men who have become interested in manufacturing in that locality because of the access it affords to low-cost power. I found there was not a single criticism of TVA in the entire area. The only place where I have heard criticism of it is in my section of the country, where we are attempting to de-

velop a program which will be along the lines of TVA. There we find chambers of commerce, Rotary Clubs, and organizations of that kind being addressed by visiting orators who endeavor to convince us that it would be a bad thing for our section of the country to have a TVA system to develop our resources.

Mr. HILL. As the Senator so well knows, the people who know TVA, who live with it day after day, who see its works and its accomplishments and what it has done are enthusiastic in their support of TVA.

Mr. MURRAY. I did not hear a single criticism of it in the entire Tennessee Valley.

Mr. HILL. I am not surprised to hear it. I appreciate the Senator's making that statement. He knows that those who live with it, see it day by day, and see its work day by day are overwhelmingly enthusiastic in support of it.

Mr. HUMPHREY. Mr. President, will the Senator yield? I do not want to detain him too long.

Mr. HILL. I yield to my friend from Minnesota.

Mr. HUMPHREY. Mr. President, when I listened to the Senator from Montana interrogate the Senator from Alabama, it reminded me a bit of what I have seen with my own eyes and heard with my own ears in my own State. The opposition to TVA in my own State of Minnesota, I am sure, is much more vigorous than it is in the State of Montana. We are trying to talk in terms of some hydroelectric power from the Missouri River. The very forces in the State of Minnesota which fight against TVA have no such plan as the Senator from Alabama has outlined this afternoon; namely, to aid in flood-control work, in soil-conservation work, and in our resource development. They fight the TVA public power facilities, but completely and totally ignore the accomplishments which have been brought about in terms of administrative efficiency among State, Federal, and local governments in soil conservation, resource development, reclamation, and in a hundred and one other wonderful accomplishments.

Whether we like it or not, when we talk about TVA, we are talking not only about projects and programs, but about a symbol in American life; we are talking about whether or not the Government of the United States, working with the people of the United States, is to have the right to utilize properly God-given resources for the benefit of the whole Nation and all the people. I think that is what the struggle is about.

Mr. HILL. And whether or not in the development of our resources—a program which all of us fervently support—the local communities, the local agencies, and the counties and States will carry their share of the responsibility, and not place the whole burden on the Federal Government.

Mr. HUMPHREY. The Senator is absolutely correct. I wish again to say that were it not for the leadership we see demonstrated today that wonderful and successful program would never have been possible. It is up to us now to protect it. We must not only pro-

tect it, but, as the distinguished senior Senator from Tennessee [Mr. KEFAUVER] has stated, we must have it move ahead and have it be a success for years to come. No one can name one project that did so much to help us in World War II. If we had listened to the private utilities there would never have been any airplanes built during World War II. If we had listened to the critics of TVA, Tennessee would have been ravaged by floods.

Mr. HILL. And we would not have had the atomic bomb.

Mr. HUMPHREY. I am sure that is true. Criticism is heaped upon this tremendous development for only one reason, and that is because of private greed. It is private greed that is at the bottom of the criticism, and the demand of some to ride herd on the American people. They will not be able to do so with my vote, I may say to the Senator from Alabama. Thank goodness we can follow his leadership.

Mr. HILL. Mr. President, let me thank the distinguished Senator from Minnesota for the very fine and able contribution he has made.

Mr. SPARKMAN. Mr. President, will my colleague yield?

Mr. HILL. I yield to my distinguished colleague.

Mr. SPARKMAN. I was interested in the comment made a few minutes ago to the effect that we might not have had the atomic bomb if it had not been for TVA. I cannot quite agree that we would not have had the airplanes; but, certainly, we would have been slowed down greatly and perhaps even crippled in the production of aluminum for airplanes, if it had not been for TVA.

Mr. HILL. Most of the aluminum from which were built the airplanes which carried destruction to Germany and to Japan, and won the great victory in World War II came out of the Tennessee Valley.

Mr. SPARKMAN. In the early stages every bit of it came out of the Tennessee Valley.

Mr. HILL. In the early stages every pound of it came from the Tennessee Valley; and even in the last stages of the war most of it came from the Tennessee Valley.

Mr. President, I well remember there was great opposition to the TVA Board's decision to work through the local agencies existing in 1933. The Tennessee Valley was a low income area then, its people enjoying only 40 percent of the national average. The valley's income is still below the national average, but the percentage stands now at 60 percent, and the valley has a sound basis for the progress its resources and its people can achieve. One of the penalties of a low-income area is that public services are bound to suffer. Technical skills cannot be employed. The State and local agencies dealing with forests and soil and minerals were few in 1933. They were understaffed, admittedly inadequate for the job they had to do in an area where forests had been denuded and land abused to support the growing population. So it was not unnatural for the experts to contend that TVA should

do the job alone. It was argued that the job would be done faster if the Federal Government "went it alone."

There was a great deal of talk about eroded and wornout land when TVA began, marginal land we called it then, and the preamble of the TVA Act includes "the proper use of marginal land" as one of the purposes of its enactment. Experts in the older departments and bureaus in Washington urged TVA to buy up all the "marginal" land, to make it a public domain, to keep it out of private ownership, safe from abuse. That is of course one way of accomplishing reforestation, of protecting the soil and conserving minerals from exploitation. Senators from Western States are more familiar than I am with the problems created by large Federal land holdings.

TVA pursued a different plan. Of course, it purchased land. It purchased land in large amounts—a total of over a million acres, for the reservoirs behind the dams. But TVA rejected the advice of those who would have had it buy the million and one-half acres that sorely needed reforestation, or the even greater acreage where farmland was worn out and eroded. It started instead, and from the beginning, to work with the State experiment stations. It made contracts with them and with the extension services already existing; and through the county-agent system, it began to work with private landowners to see what could be done to restore the soil's fertility, not by Government ownership or by regulation, but simply by bringing technical advice to the farm owner and forest owner, identifying the barriers to sound utilization, and joining all interested groups, both private and public, in a series of actions to eliminate those barriers one by one. New and experimental types of fertilizer were produced by TVA at Muscle Shoals; but they were distributed, not by TVA, but by the county agents, to farmers who agreed to enter into that great test-demonstration program which spread beyond the confines of the Tennessee Valley into 36 States. This was the pioneer effort on a regionwide basis to see the farm as a whole. It is a method generally approved and now widely used by other agricultural agencies. State agricultural agencies, colleges of engineering, foresters, experts in seed and soil and crops and cattle were united in a single team.

Mr. COOPER. Mr. President, will the Senator from Alabama yield to me?

Mr. HILL. I yield to my friend, the Senator from Kentucky.

Mr. COOPER. In the last 2 or 3 days I have received a letter from Dr. Martin, of the University of Kentucky. He wrote of his concern about this program, and stated that the advice of and the program which had been worked out in cooperation with the TVA had really been the basis of the agricultural-development program of the Board which now is serving Kentucky.

Mr. HILL. That is fine. I am not surprised, but I am delighted to hear it, and I deeply appreciate that contribution by the Senator from Kentucky. He has given us a perfect illustration, from his

State of Kentucky, of what I am trying to present to the Senate this afternoon.

Mr. President, when the TVA came into operation, no army of Federal employees descended on the region. TVA contributed money in the beginning, and contributed technical advice; but the new employees were employees of the counties, of the States, of associations of farmers. The new idea was that of having all the agencies work together to demonstrate what could be done by community effort.

This is the TVA idea, an idea which has mobilized more energy, illuminated more problems, and lifted more hearts than has any other program in resource development ever undertaken before. That is the idea and those are the methods we repudiate if we accept the action of the House and the recommendations of the Senate committee, and fail to adopt the amendment offered by the distinguished Senator from Kentucky. For 20 years TVA has been proceeding by this method, demonstrating to the world what can be done if all the people in all their institutions work together. If we now abruptly stop the activities selected for termination by the committee—and they will be stopped unless the amendment of the Senator from Kentucky is adopted—more than 50 contracts affecting a variety of research and demonstration projects will be affected. Every one of these contracts has two objectives: first, to remove some barrier to sound resource utilization, to the sound use of some resource that God Almighty in His infinite bounty has given to the people for their benefit, welfare, and progress; second, at the same time to assert and strengthen local responsibility and local financial support to deal with the continuing problems. These problems continue, Mr. President, just as the rain continues, just as Mother Nature never stands still. They may exist in one form today and in another form tomorrow, but we know they will continue, and will remain with us.

This program provides coordination of effort at the grassroots, right where the problem exists. This is a tested way to strengthen local institutions. This is the way to make certain that local problems will be solved locally. This program is the best insurance against insolvency the Federal Government could buy.

The committee clearly and curiously appears to limit its disapproval to the methods used by TVA. No responsible person could disapprove the objectives or the results. No committee of the Congress could take anything but pride in the accomplishments in the Tennessee Valley. The fields are green; the forests are revived; there is better opportunity for the people than there used to be. What the committee failed to understand is the importance of the method to the results. I believe the committee failed to understand that all these benefits had been achieved by the only Federal program, under which there is a deliberate effort to diminish the area of Federal control, to enlarge the scope of local responsibility, and to yield to the people concerned responsibility for the future

of the resources upon whose utilization their lives are based.

Let me illustrate the TVA point of view from a paragraph in the budget justification submitted to the Appropriations Committees in support of an activity not directly affected by the cut proposed by the committee. Various Senators have raised the question of flood control, and that is why I wish to speak now about an item with reference to flood control and some parts of the TVA budget justification.

Flood control was, of course, one of the major problems the statute directed the Board of TVA to solve. The first job was the task of controlling floods on the Tennessee itself, to protect the people and the land endangered every year, and to aid in the control of the greater flood danger on the lower Ohio and Mississippi. That primary job has been substantially completed by the construction of multipurpose structures. But local flood problems remain in the Tennessee Valley, just as they remain elsewhere. Every Member of the Senate knows what happens these days when a creek overflows its boundaries. Stricken citizens rush to Washington. Their pleas for aid come by letter, they come by telegram, and by personal solicitation. They pass their county seat, they ignore their State capital. They come to Washington. They come to Congress. And bills and resolutions are introduced to authorize surveys, to permit the Department of Agriculture to help or the Corps of Engineers, or some other Department of the Federal Government. The suffering is real. Clearly something should be done. Let me describe what TVA proposes to do about the problem. Out of the total appropriation requested for flood-control activities, it proposed to spend a small amount, \$25,000, in fiscal 1954 for "local flood control activities." \$25,000! It will be stricken out unless the Senate agrees to the amendment of the Senator from Kentucky. I call this a small amount of money, and it is a relatively small amount. As the distinguished Presiding Officer knows, most of these items are in terms of hundreds of millions of dollars, many times in terms of billions of dollars; so a little item of \$25,000 interested me. I read it carefully and I found that the money was requested, not to contribute to the cost of a levee, a drainage ditch, or any other type of engineering work in any particular community. The money will be spent working with one of the States in the valley to help that State assume responsibility—State responsibility—for continuing expenditures in the field of local flood control. Let me quote a portion of the budget document:

Program activities include collection and analysis of flood data; * * * and technical advice and assistance to State and local governments to encourage their assumption of responsibility for solution of local urban and rural flood-control problems.

TVA has a continuing interest in local flood problems since their solution is important to the development of the valley. In the Tennessee Valley, as in other parts of the Nation, little initiative has been taken by States and cities in assuming responsibility for local flood-control problems, partly

because the Federal Flood Control Act of 1936 and subsequent legislation assumes for the Federal Government the major share of financial responsibility in such problems. There is much that communities, counties, and States could and should do for themselves in these local flood situations. In many cases the construction of protective works is within the financial capability of the communities involved. The assumption by the State and the local community of joint responsibility for the construction of flood-protection works of a local nature would relieve the financial burden of the Federal Government, encourage construction of such works only when they are sound and economically justified, and increase the effectiveness of State and local zoning activities. Today in the valley none of these units of Government is organized to handle flood problems.

This is a statement of the TVA, on the subject of saving money to the Federal Government, on the subject of economy, on the subject of having the local communities bear the burden of local problems rather than have Federal agencies in Washington bear those burdens, and spend the money of the Federal Government in doing so. The statement continues:

The 1954 estimate includes \$25,000 to cover TVA's share of the initial expense of a cooperative project with one of the valley States. TVA would be prepared to help the State to secure and organize a staff and to provide technical advice and assistance to the State. The ultimate aim of the project is the creation of a State agency to plan local flood-control projects and to provide State leadership in developmental projects. The research and demonstration projects conducted under the tributary watershed program should prove valuable in helping local agencies to organize and plan effective programs.

Let me interrupt the quotation to point out that these tributary watershed projects have been eliminated by the Committee. One of the purposes of the amendment offered by the Senator from Kentucky is to restore these watershed projects, which are so necessary in the Valley. The TVA statement concludes:

This approach to local flood problems may be successful in encouraging a new pattern of Federal-State responsibility in a field where local matters have been made a direct concern of the Federal Government and the States have been excused from a responsibility more appropriately their own. (From pp. 29-30, Budget Program, TVA, fiscal year ending June 30, 1954.)

Mr. President, that is the story. That is what we are aiming for. That is what the Senator from Kentucky is endeavoring to bring about in offering his amendment. As I said a few moments ago, under the Flood Control Act of 1936 the Federal Government bears 88 percent of the cost. What we are now seeking to do is to transfer that cost to the States, the local agencies, and the local communities where the local problems exist. That is where it belongs.

I think Congress should applaud, and not discourage, a Federal agency which is trying in that courageous and practical fashion to turn back the tide of centralization. I said that this particular activity was not directly affected by the cut proposed, except as I commented as I read that TVA's small watershed pro-

gram, eliminated by the committee, was intended to be an aid in the development of State responsibility for flood control.

All over the country we hear the cry that conservation activities must be pushed back to the small watershed. In some river valleys such a program is offered as a substitute for the flood-control-multipurpose dams provide. Competing theories, rival agencies come to Congress with their requests for funds. I understand from press reports that billions of dollars will be requested by the various bureaus of the Department of Agriculture for such a nationwide program.

TVA has a small watershed program, too—a program recommended for extinction by the Committees on Appropriation. The TVA program is different. It is modest. It rests on research. It is underway. And when it proceeds from the basic research—in water runoff, in soil structure and moisture—to the stage of demonstration, then in TVA's small watershed program the responsibility is fixed on the people. From the beginning TVA makes clear that when the basic research which only skilled technicians can undertake is completed, and the demonstration is begun then the contribution of the Federal Government will progressively diminish.

I have in my hand the result of a reconnaissance survey made by TVA of one such watershed where work was proposed to begin in fiscal year 1954—a project which will be stopped unless the amendment of the distinguished Senator from Kentucky is adopted. I may say the Senator from Kentucky is joined in his amendment by his colleague, the distinguished senior Senator from Kentucky [Mr. CLEMENTS]; and, I am proud to say, by my colleague, the Senator from Alabama [Mr. SPARKMAN], and myself, along with the distinguished Senators from Tennessee and the distinguished Senator from Mississippi. We have all joined with the distinguished Senator from Kentucky in offering his amendment.

The brochure I have was prepared to present to the people, to officials of the counties and the State involved, a kind of prospectus to indicate the nature of the undertaking.

Let me read a paragraph which is found on page 2 of the report:

Assistance and demonstration as part of a regional program can proceed only to a certain point. There are established limits to what a Federal agency may undertake for local districts. More important, there are limits to the effectiveness of aid extended in this manner. At some point, the States and the local agencies of development must take over the major responsibility. This is the best assurance that help does not become paternalistic, and demonstration lose its educational value.

Mr. President, the Senators from Kentucky, Mississippi, Tennessee, and Alabama, are urging the Senate to approve this approach to the small watershed problem. Let us hold back on a wholesale Federal approach and see what is accomplished in the Tennessee Valley by placing the responsibility on the local communities, the States, and the local agencies in connection with local prob-

lems. We know we are getting results in the Tennessee Valley.

In another watershed where the project has reached the demonstration stage, we know that the farmers in 3 years have doubled the total acreage devoted to permanent pasture, that silt in the stream has been reduced 26 percent in the summer months, and 33 percent in winter, that the farmers of one rural community are organizing to clear a channel themselves to prevent the flooding of their lands next spring. We know that the university, the teachers in the local schools, the bankers, the farmers are working together with the technicians, solving problems which are primarily local, but which, when they are solved, will add to regional strength and to our national strength.

If this small watershed program is stopped, if this partnership between the technicians and the people is dissolved, we will deal a blow to the hope we had that this Central Government might find a way to promote soil conservation, to encourage better land use and wiser utilization of our basic resources without at the same time creating an intolerable drain on the Federal Treasury. We must not kill this pilot plant experiment in decentralization.

There may be cynics who would doubt that the fair words I have read from documents of TVA are reflected in its actual practice. There are those who do not believe that it is in the nature of any Federal agency to voluntarily and by design withdraw from responsibilities it once assumes, from activities it once initiates. To those doubters I would say we have a record to show.

Let them take a look at the record.

I can give some illustrations out of my personal knowledge. I know, for example, what TVA has done to make the recreation potential of its lakes and reservoirs an asset to the region. When the program of dam building which transferred the winding Tennessee into a series of beautiful lakes, and mountain lakes high on its tributaries were substantially completed, a new asset had been created for the region. TVA, of course, owned the land surrounding the lakes. Some of it had to be retained for purposes of flood control. All of it could have been held in public ownership forever. A TVA park system might have been developed. But TVA was committed to another practice, the practice of turning over projects to the people. A survey of all the reservoir land was undertaken with a view to identifying and releasing all the sites suitable for development as areas for recreation. In the beginning there were no State agencies prepared to take over the management of such developments, so on Norris Lake, the first reservoir to be completed, at Wilson and Pickwick, TVA developed and operated a few small parks for demonstration purposes, while its technicians worked to help the States prepare to take over. Today, on land transferred by TVA, there are over 50 State, county, and city park developments around the lakes.

They are not Federal parks. Have we ever heard of any other Government

agency treating its land in that way when it could have established a great national park? They turned loose their jurisdiction, power, and authority. They did it voluntarily, of their own free will and accord.

Mr. HUMPHREY. Mr. President, will the Senator from Alabama yield for a question?

Mr. HILL. I yield.

Mr. HUMPHREY. Is the Senator talking about some earthly matter, or something that occurred on some heavenly body?

Mr. HILL. To be frank with the Senator, it is not an ordinary earthly record of which I am speaking. It is very unusual; it is out of the ordinary; it is extraordinary. Not only do we have these State, county, and city park developments, but there are church camps, Boy Scout camps, YMCA camps, in all, a total of 30 group camps. The Federal Government is not operating the camps.

Mr. KEFAUVER. Mr. President, will the Senator from Alabama yield?

Mr. HILL. I should like, first, to finish this paragraph.

Seventeen hundred lake front summer residences valued at almost \$8 million have been built by private owners. More than 18,000 boats are used for recreation on the lakes. In all, the value of the recreation improvements on TVA lakes and lake shores is well over \$30 million, none of it provided by TVA, but all of it resulting from TVA's policy of withdrawing from control. Last year it was estimated that over \$4 million in private income was received as a result of the utilization of this new asset to the region's economy.

I now yield to my distinguished friend from Tennessee.

Mr. KEFAUVER. I wanted to make clear that the record shows that all the work in connection with the leasing of land for campsites, and for agricultural purposes, and all the selling of land for attractive cottages which the Senator has described is carried on as part of the resource-development program provided for by the amendment.

Mr. HILL. The Senator is correct.

Mr. KEFAUVER. Is it not true that very substantial amounts of the funds secured by the Tennessee Valley Authority which are turned into its general fund, are derived from leases on farm lands and other property which it owns and which are operated under the resource-development program?

Mr. HILL. The Senator is correct, and I thank him for his contribution.

The amendment offered by the Senator from Kentucky presents this question: Does Congress disapprove of the program of relinquishing to local agencies, public and private, and to individuals, responsibility for the utilization of this new recreation asset? Would it have preferred the establishment of a new Federal park system, with larger appropriations every year?

As I have said, TVA operates none of the recreation facilities. The modest appropriation now requested would permit the continuance of technical assistance to the public and private developers of

the properties. A few technicians, a few demonstrations, and faith in the people—these are the ingredients which have resulted in the development I have summarized. This is a method Congress should approve, if Congress honestly believes in decentralization. If we honestly believe in local self-government and local responsibility, if we are opposed to any more centralization than is necessary, we should approve the amendment of the Senator from Kentucky.

Mr. HUMPHREY. Mr. President, will the Senator from Alabama yield?

Mr. HILL. I yield to the Senator from Minnesota for a question.

Mr. HUMPHREY. I have been very much interested in the Senator's comments about decentralization. As I understand, the Senator is pointing out that TVA has, as one of its cardinal administrative principles, the decentralization of Federal authority and a reversion to local jurisdiction.

Mr. HILL. The Senator is exactly correct. That is the spirit of the act. That has been the whole design, purpose, and policy of the TVA board.

Mr. HUMPHREY. As I understand, it has been not only the design and purpose, but it has been the practice, too.

Mr. HILL. It has been the practice which has been carried out.

Mr. HUMPHREY. The Senator has expressed some wonderment as to why those who believe in decentralization have vigorously supported TVA, rather than condemn it. Is that correct?

Mr. HILL. That is exactly correct.

Mr. HUMPHREY. I hesitate to say this, because of my great respect for the Senator from Alabama and his knowledge and great information on the subject of TVA, but has the Senator ever thought that possibly some persons who talk about decentralization really mean deenergizing, sterilizing, and literally demolishing the whole program?

Mr. HILL. The Senator is exactly correct, unless it be a program which they believe they can dominate and control, and which directly and immediately affects their own selfish interests.

Mr. HUMPHREY. The Senator has pointed out that in the TVA administration, not only is there decentralization, but also citizen participation.

Mr. HILL. That is correct.

Mr. HUMPHREY. So little special-interest groups are not able to dominate the so-called decentralization.

Mr. HILL. The Senator is exactly correct.

Mr. HUMPHREY. I have noticed that the same people who want decentralization also want domination. They try to get their "D's" together.

Mr. HILL. They do not want decentralization unless they can also dominate.

Mr. HUMPHREY. They want to have domination, as well.

Mr. HILL. That is correct.

Mr. HUMPHREY. I have been so intrigued with the Senator's wonderful exposition and explanation of the subject of the TVA that I thought it might be appropriate that Senators who have similar views should express them.

Mr. HILL. I thank the Senator from Minnesota for giving expression to his thoughts, which so well confirm and ratify what I have been trying to say this afternoon.

Let us consider the TVA method as it has been applied to the problem of developing navigation on the Tennessee. The channel was a modern river highway from Paducah to Knoxville when Kentucky and Fort Loudoun Dams were completed. It was a public investment. It should be used by the people.

A few large shippers saw profit in building their own terminals, and promptly did so, but small shippers could not do that. So once again TVA gave a demonstration. Four general public-use terminals were built at Knoxville and Chattanooga in Tennessee, and at Guntersville and Decatur in Alabama. They were operated by TVA for a preliminary demonstration period. I remember there were doubters who were certain that the initial appropriation for construction of the terminals would mean a continuing Federal responsibility for their operation. What happened? All four terminals are now in the hands of private operators. All four are successful. The terminals have contributed to the record of the 834 million ton-miles of commerce which moved on the river in 1952. They will continue to contribute. They are not affected by the cut recommended by the committee. I mentioned them for one purpose only. To demonstrate, out of my own knowledge, the good faith of TVA in its avowal of a desire to keep the Federal responsibility small, always to enlarge the participation of the people.

There was nothing in the law which required the TVA to turn over the terminals to private operators. So far as the law was concerned, TVA could have continued to operate them and have them today, but they did not do that. As soon as possible TVA turned over the terminals to private operators, with compensation, of course, to TVA for the terminals. They were not disposed of as gifts, or anything of that kind.

I could give other examples. I could tell of the part TVA played in helping the 15 valley counties of North Carolina to organize for forest-fire control. Before 1947 those counties had made no concerted effort to protect their woodlands from fire, in spite of the fact that a well-developed forest-products industry depended for survival on the forests. Before 1947 3 percent of the forest area burned annually. In that year TVA, the State, and the 15 counties entered a cooperative program of fire protection. At the end of 5 years TVA, which had contributed less than \$90,000 of a total expenditure of half a million, withdrew its financial aid entirely. But the program has been effectively continued. The annual burn has been reduced from 3 to 0.22 percent, and last autumn the program paid off. All of us remember the forest fires of last October and November. While the fire hazard was as great in these counties as in the rest of the valley, only 0.56 percent of the protected

area burned, a loss of less than \$100,000. In neighboring east Tennessee, where no similar program had been undertaken, 20 percent of the forest land burned.

That is the way the TVA works. It leads; it provides technical advice that could never be provided by individual counties, or even States. It sparks a demonstration. Then it moves on to another problem, another area, leaving behind a stronger resource base, a better organized community, weaving it all together to make a stronger region.

Because of TVA all 7 States of the valley are better equipped today to carry out the responsibilities they are assuming. Since 1933, when TVA began this program of cooperation, more than 1,200 organizations, State and local, public and private, have been established to work in the resource-development field. More public funds are being spent in the Tennessee Valley to improve, develop, and conserve our resources than were being spent in 1934. The point I want to emphasize is this. The greatest share of the total was provided by the States in 1952, whereas in 1934 most of the money was provided by the Federal Government. Let me give the figures. The total public funds, including Federal-aid funds, expended by State agencies to build up the resource base has increased from less than \$8,500,000 in 1934 to nearly \$60 million in 1952. The State funds employed by these agencies has increased from less than \$5,600,000 to nearly \$50 million in 1952. This is the result which TVA intended, and has brought about. This is proof that, so far as the Federal Treasury is concerned, the TVA method is a method of economy, a method productive of savings to the Federal Treasury. While the States have increased their share of the total, TVA expenditures have been progressively reduced. In 1947, for these same activities, TVA received \$3,950,000. This year it requested only a little more than \$2 million.

Let me call attention to one more indication that TVA may have an influence on the valley unsuspected by its critics. Federal employment has not grown in the Tennessee Valley as it has in the rest of the country. In 1934 the valley's share of the Nation's total number of Federal civil employees was 3.9 percent. In 1951 it had gone down to 2.5 percent. The number of State and county employees working on the problems of resource development has increased. The staffs of the educational institutions have been enlarged. Private employment in the field has greatly expanded. But the Federal payroll in the Tennessee Valley has diminished from the standpoint of the proportion it bears to the Federal payroll in the rest of the country.

This is in spite of the fact that every man working on the construction of a TVA dam or steam plant is a Federal employee. The men who repair transmission lines, reset poles, or operate switchboards in a powerplant are Federal employees. They are temporary workers, thousands of them, but they are counted, just the same, as Federal em-

ployees. They are so counted whether their salaries are paid from funds appropriated by the Congress or from revenues received by the TVA. Yet counting all these, the valley has only 8 Federal civil employees per 1,000 population. That is two-thirds of the national average of 12. These figures come to us from the Byrd committee of the Senate.

This reduction in expenditures and in the number of Federal employees seems to me exactly the right direction for the Federal Government to take. The Federal Government has a responsibility in the field of resource development. No one denies that; but how it should go about discharging that responsibility is the issue presented by the amendment of the Senator from Kentucky [Mr. COOPER]. It can, in a desire for swift accomplishment, or in a desire for political advantage, smother the responsibility and initiative of local governments. It can pour out greater and greater appropriations each year. It can regulate and control. Or it can operate after the manner of TVA. It can give technical advice and demonstration. It can make deliberate, conscious effort to draw from the people and their local agencies and institutions the most abundant participation. It can follow the method of economy and of savings to the Federal Government, the method adopted by TVA. This is the method upon which we must pass judgment in passing judgment on the amendment offered by the Senator from Kentucky for himself, his colleague from Kentucky, and the Senators from Tennessee, Alabama, and Mississippi.

Do we want to continue this method of decentralization, this method of economy, this method of savings to the Federal Government, this method of placing more and more of the responsibility on the local communities, the local agencies, the States, counties, and other institutions? In simple words, do we want economy? The issue is as clear as that.

Mr. President, there can be and there should be but one answer, and that answer is to endorse the methods of TVA—the method of decentralization, the method of economy, the method of taking more and more of the burden off the Federal Government and the Federal Treasury. To do that we must adopt the amendment of the Senator from Kentucky, and I urge that it be adopted.

Mr. MALONE. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the call.

The legislative clerk proceeded to call the roll.

Mr. KNOWLAND. Mr. President, I ask unanimous consent that further proceedings under the quorum call be dispensed with.

The PRESIDING OFFICER (Mr. PAYNE in the chair). Is there objection? The Chair hears none, and it is so ordered.

Mr. SALTONSTALL. Mr. President, I have talked with the Senator from Kentucky [Mr. COOPER] and I have talked with the Senators from Alabama, and the Senators from Tennessee. The Senator from Kentucky has offered an

amendment proposing an appropriation of \$1,750,000 for the resource development programs of the TVA. The revised budget called for \$2,209,000. The House cut the item out entirely. The Senate committee recommended that \$654,000 be spent for agricultural-resource improvement, but out of the funds of the TVA, without providing new funds.

I have suggested to the Senator from Kentucky and to the other distinguished Senators that it would be agreeable to the Committee on Appropriations—and I have talked to the chairman of the committee and to the Senator from Illinois, who is interested in the subject, as well as one or two other Senators—that we accept the amendment of the Senator from Kentucky, amended so as to provide \$1,350,000 of new money, to be added to the appropriation bill as it came from the House; and, in addition, to provide that out of its appropriation for all purposes TVA find \$500,000 for the resource-development programs. That would give them for resource development \$1,350,000, plus \$500,000.

We shall take the amendment to conference and shall try to persuade the House to accept the amendment in that form.

Mr. ELLENDER. Why limit to \$500,000 the expenditures for reforestation activities by the TVA? Why not include that amount with the new money, and let all of it be used in any way the TVA officials may desire to use it?

Mr. SALTONSTALL. The House eliminated all funds for resource development. The Senate Appropriations Committee, in considering the amendment of the Senator from Illinois, voted to include \$654,000 for forest-resource development, but to have that amount come out of the appropriation of \$188 million which was voted by the House.

I now suggest—and I hope we may take to conference the amendment as thus modified—that we restore \$1,350,000 of the \$2,209,000, and that we include in the report a statement that \$500,000, in addition to the \$1,350,000, is to be spent for resource development. In other words, the TVA will have to refrain from spending the \$500,000 for equipment.

Mr. ELLENDER. The Senator from Massachusetts intends that no restriction be placed upon the expenditure of the \$1,350,000; is that correct?

Mr. SALTONSTALL. Yes; there would be no restriction upon it.

Mr. ELLENDER. Then why not include the \$500,000 in the same category?

Mr. SALTONSTALL. It will be in the same category. But we would state in the report that we would reduce the other expenditures TVA would make by \$500,000, and that TVA would spend \$500,000 for resource development, plus \$1,350,000.

Mr. ELLENDER. And that would not make it applicable merely to reforestation?

Mr. SALTONSTALL. That is agreeable to me. That would mean there would be \$1,850,000 for resource development, rather than \$2,209,000.

Mr. CHAVEZ. Mr. President, will the Senator from Massachusetts yield for a question?

Mr. SALTONSTALL. I yield.

Mr. CHAVEZ. As I understand, the modified amendment of the Senator from Kentucky would provide this amount to take care of resource development activities and to cover agriculture, forestry, mineral resources, tributary watersheds, stream pollution, fish and wildlife development, and similar activities.

I understand that the modification suggested by the Senator from Massachusetts would limit the expenditure for those activities to \$1,350,000; is that correct?

Mr. SALTONSTALL. It is not quite correct. We would provide for those activities \$1,850,000.

Mr. CHAVEZ. That includes the \$500,000 for forestry, does it?

Mr. SALTONSTALL. That is correct.

Mr. HILL. Mr. President, let us agree on the amendment as modified.

The PRESIDING OFFICER. The Chair inquires of the Senator from Kentucky whether he accepts the proposed modification of his amendment.

Mr. COOPER. Yes, Mr. President; and I thank the distinguished Senator from Massachusetts for the statement he has made. I have talked to my associates and colleagues who are responsible for this amendment, and they are satisfied with the proposed modification.

The amount of the amendment, as modified, is approximately the same as the amount originally proposed in the amendment. Second, the amendment, as modified, will maintain the principle for which we have contended, namely, the maintenance of the resource development programs as an integral part of the TVA program. We know the conferees will fight to sustain the amendment.

The PRESIDING OFFICER. The amendment, as modified, will be stated.

The LEGISLATIVE CLERK. On page 10, after line 24, it is proposed to insert:

Resource Development Programs: \$1,350,000 for Resource Development Programs pursuant to the Tennessee Valley Authority Act of 1933, as amended.

The PRESIDING OFFICER. The question is on agreeing to the modified amendment offered by the Senator from Kentucky [Mr. COOPER] for himself and other Senators.

The amendment as modified was agreed to.

Mr. MURRAY. Mr. President, during the afternoon I have listened very carefully to the able debate concerning the TVA program and the need for preserving and extending the activities of that very important agency.

In Montana we have a very great interest in the Tennessee Valley Authority, because in our State we have great undeveloped resources that in many respects are similar to those in the valley of the Tennessee. Our resources lie in two great river basins—the Missouri and the Columbia—where there remains much undeveloped, low-cost hydroelectric power. While we have the added problem of irrigation development, many of the resources development problems

which confront us parallel those which the Tennessee Valley Authority has handled so successfully.

Many of our citizens have gone to the Tennessee Valley, as I have, to see it at first hand. Several score of Montana farmers have toured and inspected TVA. Our citizens have always returned enthusiastic about TVA. They are, consequently, aware not only of the costs of this great project, but also of the tremendous benefits—the tremendous dividends—which it has returned to the Nation in dollars, in new resources development, in new industrial, agricultural, and conservation techniques, and in national security.

Although we are nearly 2,000 miles away, we have enjoyed the benefits of TVA, both directly and indirectly; and we regard it as the greatest national business investment of our times.

The people in Montana know, Mr. President, that TVA has transformed an area, once retarded economically, into a source of great national strength. Our people know that the proportion of the national tax bill paid from the Tennessee Valley area has greatly increased. I recently made inquiry about this, because of the current emphasis on sound business principles.

In 1933, before TVA, 3.4 percent of the national collections of personal income taxes came out of the 7 Tennessee Valley States. In 1951—the last year for which data is available—those 7 States paid 6.3 percent of all national personal income taxes. That was a gain of 2.9 percent in the proportion carried by the people of the area of the total personal income-tax burden. In 1951, the increased proportion amounted, in dollars, to \$740 million.

Over the years that the Tennessee Valley Authority has existed, the gain it has brought about in Federal personal income-tax payments alone has offset several times over the cost of the Tennessee Valley development, but it only begins to reflect the total benefits to the Nation. Behind these income figures are new industries, new employment, new production and research, and new techniques and developments of even greater importance than dollar considerations.

We were most fortunate to have the Tennessee Valley Authority during World War II. Its power, and the electric power of the great Bonneville Power Administration made our atomic energy development possible. They made possible a rapid expansion of aluminum production and of other essential defense industries. I am told, for example, that TVA manufactured most of the elemental phosphorous required by the armed services, and that it has now helped private industries—one of them in my own area—get into that production.

All the farmers in America are grateful to the Tennessee Valley Authority for an outstanding modernization which it has quietly brought about—the development of high-concentration fertilizers which have reduced unit freight costs, unit plant-food costs and consequently the costs of maintaining the fertility of our soil. We in the West are grateful to the TVA because its technicians have

helped Western private industries develop some of the first of what we hope eventually will be many modern phosphate plants in the Rocky Mountain area.

Mr. President, I can recall when the Congress was told that the power output of the Tennessee River would not be used for a century, and that the development proposed was an unwise venture, for that reason. But the power has been completely utilized. I am amazed that the same argument—so completely disproved by the TVA example—is still heard over and over, like a broken phonograph record, whenever a Federal power project anywhere is proposed. The argument is used against REA, against rural telephones and against every dam and every power facilities suggested.

The President's Materials Policy Commission, headed by Mr. William S. Paley, a well-known businessman, warned us last year that we need to install all the new power capacity that both Government and private utilities can build. We need to expand power production 260 percent by 1975 over 1950, the Commission found.

We are right now deficient in low-cost power to meet the aluminum production goals set by the National Production Administration at the beginning of the defense preparation program. Only 800,000 tons of the desired 1 million tons additional capacity has found a power source.

A part of the 80,000 tons of capacity was installed by conscripting generating capacity in the Arkansas area for the aluminum plant, the Bull Shoals and production, which had been previously pledged to REA cooperatives.

Recently Montana lost an opportunity to have a large chrome industry locate in the State. It lost the opportunity because it was unable to furnish the power necessary for the industry. The concern involved, instead of coming to our State, went to the Tennessee Valley, where it located at Memphis, Tenn., and is now operating exclusively at that point, bringing the needed supplies of chrome across the ocean from Africa. It was a tremendous loss and a great disappointment to the people of the State of Montana.

As I have told the Senate previously, I feel very strongly that every reduction in our investment in power generating capacity at this time is unwise, whether it be in my own State or the great Tennessee Valley area, which has paid the Nation such handsome dividends.

Similarly, I think we will be selling the whole Nation short if we curtail the experimental and resources development programs of the TVA which have benefited us all.

Mr. President, on behalf of the people of Montana, who want an expanding and productive economy in this Nation—not a contraction and unemployment—I shall support adequate appropriations to keep TVA fully efficient.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, its reading clerk, announced that the House had

passed, without amendment, the bill (S. 2199) to allow States during major disasters to use or distribute certain surplus equipment and supplies of the Federal Government.

The message also announced that the House had passed a bill (H. R. 5898) to extend until December 31, 1953, the period with respect to which the excess-profits tax shall be effective, in which it requested the concurrence of the Senate.

HOUSE BILL REFERRED

The bill (H. R. 5898) to extend until December 31, 1953, the period with respect to which the excess-profits tax shall be effective, was read twice by its title, and referred to the Committee on Finance.

SECOND INDEPENDENT OFFICES APPROPRIATIONS, 1954

The Senate resumed the consideration of the bill (H. R. 5690) making appropriations for additional independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1954, and for other purposes.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. KEFAUVER. Mr. President, on behalf of myself, the Senators from Alabama [Mr. HILL and Mr. SPARKMAN], the Senators from Mississippi [Mr. EASTLAND and Mr. STENNIS], and my colleague, the Senator from Tennessee [Mr. GORE], I offer an amendment.

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 9, in line 21, it is proposed to strike out "\$188,371,000" and insert in lieu thereof "\$218,371,000."

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Tennessee offered by the Senator from Tennessee [Mr. KEFAUVER] for himself and other Senators.

Mr. KEFAUVER obtained the floor.

Mr. GORE. Mr. President, will the Senator yield, that I may suggest the absence of a quorum?

Mr. HUMPHREY. Mr. President, will the distinguished senior Senator from Tennessee withhold his request for a moment?

Mr. GORE. I am glad to withhold the suggestion for a moment.

Mr. HUMPHREY. Mr. President, will the distinguished senior Senator from Tennessee yield to me for the purpose of asking a question or two of the chairman of the Committee on Appropriations in connection with another item, before he begins his discussion of the TVA? It will take but 2 or 3 minutes.

Mr. KEFAUVER. With the understanding that I do not lose my right to the floor, I yield to the Senator from Minnesota for that purpose.

The PRESIDING OFFICER. Is there objection? The Chair hears none. The Senator from Minnesota is recognized.

Mr. HUMPHREY. Mr. President, I understand that the chairman of the Appropriations Committee will be here

shortly. He stepped out of the Senate Chamber for a moment. I desire to direct attention to the item of appropriation for the Veterans' Administration. Before I do that, I wish to thank the senior Senator from Tennessee for his courtesy. I greatly appreciate it.

Mr. SALTONSTALL entered the Chamber.

Mr. HUMPHREY. Mr. President, if I may now have the attention of the distinguished chairman of the Appropriations Committee, I may say that earlier today I mentioned privately to the distinguished Senator from Massachusetts that I had a question or two in reference to the Veterans' Administration item of medical care and hospital facilities.

Mr. SALTONSTALL. I shall be glad to answer the Senator's questions, if I can.

Mr. HUMPHREY. I have noticed, on page 9, in the breakdown in the report on the second independent offices appropriation bill a new breakdown of the total or aggregate figures. I should like to ask the Senator 1 or 2 questions. Am I correct in saying that the amount provided for the Veterans' Administration's medical-care program is approximately \$56 million less than the President's revised budget?

Mr. SALTONSTALL. I would say to the Senator from Minnesota that the general operating expenses of the Veterans' Administration are divided by the House into seven new items, namely, medical administration, maintenance and operation of hospitals, contract hospitalization, maintenance and operation of domiciliary facilities, outpatient care, and maintenance and operation of supply depots. The expenditures for the fiscal year 1953 on a comparable basis were \$853 million. The original Truman budget for the previous year called for \$921 million. The revised budget is \$851 million, and the amount in the pending bill is \$895,710,000, or approximately \$40 million more than was expended last year. This amount is satisfactory to the Veterans' Administration, according to Mr. Sterling and Dr. Boone.

Mr. HUMPHREY. In other words, the amount the Senate Committee on Appropriations has recommended is above the revised estimates. Is that correct? Is it above what the House asked, or is it the same?

Mr. SALTONSTALL. It is the same figure that the House appropriated, is \$44 million above the revised budget, and approximately \$42 million above the expenditures last year.

Mr. HUMPHREY. I thank the Senator. I desire to ask 1 or 2 other questions, so that we may have the record complete.

I have received a great number of letters, as I know every other Senator has, regarding this one item. Is it the Senator's view, as a result of his study and very careful attention to this matter, that the funds which are recommended will result in the maintenance of an equal quality and degree of service to that which has been extended during the past year?

Mr. SALTONSTALL. I think it will result in a better degree of service. The

House increased the appropriation for hospital maintenance and operation from \$497 million last year to \$548 million. That will make it possible to hire 7,000 more operatives. Of these, 2,300 will be assigned to beds in existing hospitals. There are 11 new hospitals coming along during the fiscal year; 4,700 operatives are provided for those 11 hospitals, which will have approximately 7,600 beds. So next year it will be necessary to provide for additional operatives, since it takes 9 operatives to every 10 beds, or practically 1 operative to every bed. Dr. Boone has testified that, with very few exceptions, every veteran with a service-connected disability gets prompt attention, and that none are delayed more than 7 days. There is a waiting list of veterans with non-service-connected disabilities, but there always will be.

Mr. HUMPHREY. The Senator may recall that it was my privilege—should I say responsibility?—to be the chairman of a special subcommittee on veterans' medical care of the Committee on Labor and Public Welfare. I was appointed by the distinguished Senator from Montana [Mr. MURRAY]. We went into this whole medical program. Did the appropriations subcommittee obtain any information as to whether the cooperative relationships between the Veterans' Administration and the Deans' committees on medical activities are as good as they were? Is that relationship still as good as it was?

Mr. SALTONSTALL. We did not go into that question, I will say frankly to the Senator from Minnesota. I can only say that the representatives of the Veterans' Administration on the medical side felt that we had provided sufficient funds for them to give proper service.

Mr. HUMPHREY. If we should be confronted with an increased load in the hospitals, I understood the Senator to say we can always resolve that problem by a deficiency appropriation.

Mr. SALTONSTALL. If we absolutely have to; but a deficiency is not expected, I think. It may be expected in appropriations for statutory items such as pensions and veterans' benefits and that sort of thing, where specific amounts are required. The Veterans' Administration estimates that it has sufficient money for that purpose for 10 months. We have very clearly set forth in the report that if more money is needed we will grant a supplemental budget. This year we granted \$235 million. There will be an estimate of approximately that figure next year. It is an educated guess because there are three new statutes this year and new veterans are coming under the law. So the best we can say is that the appropriation will probably be on the under side, but, we have allowed a 10-percent movement between the statutory accounts, if one account is running up and the other is running down.

Mr. HUMPHREY. There is some flexibility, so that there can be a transfer of funds in case of need; is that correct?

Mr. SALTONSTALL. Yes.

Mr. HUMPHREY. As I understand, there is no change of policy with reference to veterans' medical care.

Mr. SALTONSTALL. There is one change, and that is in the dental service.

Mr. HUMPHREY. It is in the outpatient dental service, is it not?

Mr. SALTONSTALL. Yes. It is placed on a fee basis, and a veteran must, within a year after the passage of the act, make application for dental service, showing that his dental disability is service-connected.

Mr. HUMPHREY. But there has been no change other than that; is that correct?

Mr. SALTONSTALL. That is correct.

Mr. HUMPHREY. One of the finest hospitals we have, in terms of medical care, is the Fort Snelling Hospital, which was one of the initiators of what we call the deans' committees to staff hospitals with universally-trained technicians and physicians. I have received reports that the military is moving in and enlisting the services of many technicians and specialists. The hospital lost a pathologist. I think the Senator knows that a top-grade pathologist is very difficult to find. I hope that somewhere along the line the proper authorities will give note to the fact that veterans' medical care is priority medical care, because the large veterans' hospitals which we have opened at great cost to the people of the country cannot be properly staffed if their specialists, the heads of departments of medicine, are going to be removed and taken away, thereby leaving a hospital without a proper technical staff.

Mr. SALTONSTALL. I agree with the Senator from the bottom of my heart. That is a problem in every hospital.

Mr. HUMPHREY. I am sure the Veterans' Administration will be reviewing the whole legislative record, and I think we should express our concern about it, because we all know that if 2 or 3 key persons, who are the heads of the department of neurology or orthopedic surgery or pathology are taken, the hospital is practically demobilized.

Mr. SALTONSTALL. I realize that if men like Dr. Cushing and other great physicians are taken away from a hospital, it is a very serious matter.

Mr. HUMPHREY. I thank the Senator from Massachusetts. He has done a magnificent job.

Mr. KEFAUVER. Mr. President.

The PRESIDING OFFICER. The senior Senator from Tennessee is recognized.

Mr. GORE. Mr. President, will the Senator yield for the purpose of suggesting the absence of a quorum?

Mr. KEFAUVER. I yield.

Mr. GORE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. KEFAUVER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded, and that further proceedings under the call be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KEFAUVER. Before explaining the amendment I have offered on behalf of several other Senators and myself, I wish to pay very high tribute to the

distinguished Senator from Kentucky [Mr. COOPER] and the distinguished Senator from Alabama [Mr. HILL] for the very excellent explanations they made of the value and importance of the resource development fund to the Tennessee Valley Authority and to the Nation. Also, I desire to compliment the distinguished Senator from Massachusetts [Mr. SALTONSTALL], chairman of the subcommittee, and the other members of the subcommittee with whom he conferred, upon their recognition of the importance of the continuation of the resource development program of the TVA.

The amount agreed upon in the compromise for the program is not the amount requested by the President in his budget or by the Tennessee Valley Authority, but we hope it will enable TVA to carry on the very essential work which, under the TVA Act, they are directed to do, namely, unifying river development, protecting the forests, and developing an agricultural program, so that silt will not fill the reservoirs, thus enabling them to be used to their greatest extent.

The pending amendment would provide \$30 million to commence construction of the so-called Fulton steam plant, which would be constructed 30 miles north of Memphis, and which the Tennessee Valley Authority says it needs in order to prevent a power shortage of substantial nature beginning in 1956. The item was included in the budget submitted by former President Truman. It was not included in the latest budget, and it has not been included by the committee.

I hope and believe that if the Senate will consider the matter very carefully, it will agree that, in the interest of carrying out the contract between the people of the Tennessee Valley and the Federal Government, and in the interest of our own defense effort, particularly the atomic energy program, the money should be appropriated, so that construction of the steam plant can be commenced this summer.

In the first place, it should be kept in mind that 3 years are required to build a steam plant, so if the power demand in 1956 is to be met, construction will have to be started this summer. Not only will 3 years be needed in order to construct the steam plant, but orders must be placed for large furnaces, generators, and other very heavy equipment, manufactured by General Electric and other industries, which cannot be furnished in less than 3 years. I understand the Tennessee Valley Authority has been able to build hydroelectric facilities and steam plants in a shorter time than has been taken by any governmental agency or private corporation. Three years' is the shortest time within which the proposed steam plant can be constructed.

Mr. HAYDEN. Mr. President, will the Senator yield?

Mr. KEFAUVER. I yield.

Mr. HAYDEN. I am concerned about two things. First, will there be actual need for the power 3 years from now? I understand an allegation was made in the House committee report that the

Tennessee Valley Authority had consistently overestimated its demands for power. Of course, that charge has been made with respect to power generated elsewhere in the United States, but in actual effect and practice the generation of power has not kept up with demand.

What is the situation in the Tennessee Valley now, and what will be the probable situation 3 years from now?

Mr. KEFAUVER. I am very happy the distinguished Senator from Arizona has asked the question. That is the crux of the whole matter. According to testimony by private power witnesses and others, the Tennessee Valley Authority has an excellent power department. Mr. Wessenauer, who is head of the power department of TVA, is highly spoken of. Everyone says he is completely capable of estimating the needs of the Tennessee Valley.

The fact is that, based upon a 3-year estimate of the needs of the Tennessee Valley, TVA has always been on the conservative side, slightly underestimating, 3 years in advance, the amount of power that would be needed 3 years hence. Information to corroborate this statement will be found at page 94 of the hearings. Of course, in this instance, for the purpose of constructing a steam plant, the estimate must be made 3 years in advance.

For example, in 1950, TVA estimated its demand at 2,700,000 kilowatts. Actual demand was 3,200,000.

In 1951, the estimate was 2,900,000 kilowatts. Actual demand was 3,800,000 kilowatts.

In 1952, the estimate was 3,500,000 kilowatts. Actual demand was 4,200,000 kilowatts.

Based upon a 2-year estimate, as is shown in a table in the middle of page 94 of the hearings, it will be seen that the Tennessee Valley Authority has slightly underestimated the power needs. For instance, in 1947 the need was estimated at 1,800,000 kilowatts. Actual demand was 2,200,000 kilowatts.

In 1948 the estimated demand was 2,200,000 kilowatts. Actual demand was 2,500,000 kilowatts.

In 1949 the estimated need was 2,500,000 kilowatts. The actual demand was 2,700,000 kilowatts.

Based upon a 1-year estimate of demand and the need, TVA about half the time has slightly underestimated its need, and half the time has slightly overestimated its need.

The confusion in the House hearings grew out of these facts. The House misinterpreted certain figures. They took figures as to what was actually used during some years. As a matter of fact, during some years TVA has had to curtail greatly the use of power. It has been necessary to place advertisements in the newspapers giving notice of the curtailment of the use of power. There have been brownouts to enable the defense effort to have more power. They have had to let the Aluminum Co. and other defense industries have a little less power. So the amount which was used did not actually reflect the demand. It was based upon some miscalculations of

that sort that the House report contained an error in its statement.

Mr. HAYDEN. The other matter which interests me is this: As the Senator knows, for a long time I have served on the subcommittee of the Senate Committee on Appropriations which handles the Interior Department appropriation bill. In that bill money is provided for the Bonneville Power Administration and for the United States Reclamation Service and its various power activities. We have made it a rule—and have followed it very consistently—that, where private enterprise could undertake the generation, and particularly the delivery, of power, it was better to let private enterprise do it if it could be done so that, so far as the consumer was concerned, he would suffer no disadvantage. That general principle was stated in the report which was submitted to the Senate this year on the Interior Department bill. The report stated:

The committee reiterates its view that efforts should be made to secure wheeling contracts wherever possible, and that the Federal Government should build transmission lines only when such agreements cannot be negotiated at comparable costs to consumers; the only exception to this policy should be with respect to main lines for the purpose of connecting Federal hydroelectric plants.

In other words, we have preferred to have private enterprise do the work when it would do it at a cost comparable to the cost of the Government providing the facility. If the cost is far out of line, and we cannot get the private companies to come down in their wheeling charges to reasonable prices, we say, "All right; the Federal Government will have to build the line." The effect has been generally that the private power companies have been willing to do the work. In that way we have been very successful in saving the appropriation of large sums of money.

What I should like to know with respect to the Fulton steam plant is this: Is there any private power company, or group of private power companies, which would be willing to install electrical capacity to meet the needs of the Atomic Energy Commission and the communities generally in that area, so that the Federal Government need not invest \$30 million in this plant?

Mr. KEFAUVER. Answering the question specifically, I will say to the Senator from Arizona that there is not.

Mr. HAYDEN. Has any effort been made to contact the private power companies in that area or adjoining areas, to see whether the power could not be transmitted to the TVA from some reasonable distance? Are any steam plants being built nearby which could be expanded to do the work?

Mr. KEFAUVER. I will say to the Senator that I recognize the importance, in connection with wheeling contracts, of not having duplicating facilities in the wheeling of power. There is this difference, in that the TVA has a territory which it serves under a contract which has been approved by Congress, or at least there is an understanding with respect to an area. But even if it were a desirable policy for the TVA to buy

power from other utilities as one of its primary sources of power, the record does not show that there is any power company or group of power companies in a position to furnish the power which is needed, and which would be supplied by the Fulton steam plant.

There is testimony to this effect: The nearest utility to this plant is the Mississippi Power Co., which is in a holding company which also includes the Arkansas power companies. The operating company is the Mississippi Power & Light Co. The holding company is the Mid-South Utilities, Inc., which operates in the States of Mississippi, Arkansas, and Louisiana. Mr. Wilson, the vice president of the power company, testified. His testimony will be found at page 264. He was asked this question:

At the present do you have any surplus power?

He answered:

When our present production schedule is completed by the end of this year we will have some surplus power. Of course, it was built to serve our own loads and not to serve any outside loads, and of course we expect it will be available until our own loads require it.

He goes on to say, however, that if they could have a long-term contract, such as 20-year contract, they might be willing to install some kind of facilities. But there is no power company in that section which has the power available, and which has a definite offer to make with respect to power which would meet the requirements in this case.

Mr. HAYDEN. I can understand the general situation of the Tennessee Valley Authority. It is similar to a private utility; that is, there are certain territories which the utility serves, and it does not want anyone else invading its territory. It is supposed, if it properly managed, to continue to provide power for the advancing needs of its particular territory.

The Senator referred to the territory served by the TVA, and stated that in that area there was no competition, no private industry at all. But it is not very far away from Mississippi. It is not very far away from Ohio, Arkansas, and other States. I wondered whether there was any evidence which could be produced which would indicate that it might not be necessary to construct this plant at Government expense, because power could be obtained nearby.

Mr. KEFAUVER. There has been no showing to that effect. Mr. Wilson testified that any power that was sold by the Mississippi Power Co. now, unless it had some long-term contract such as a 20-year contract, the price not being arrived at, would be subject to the needs of their own customers in their own area.

Mr. HAYDEN. Of course, there is another factor to be considered, and that is this: Could the power be bought and be transported from any station in the general area and delivered to the Tennessee Valley Authority at a price which would be comparable to the price at which it could be produced in the plant proposed to be built? It would place an undue burden upon the Tennessee Valley Authority to require it to buy power from

the outside if such power would cost more than the cost of producing the power in its own area.

Mr. HILL. Mr. President, will the Senator yield?

Mr. KEFAUVER. In a moment.

As a matter of fact, there is a power shortage in most areas. The TVA buys some power from other companies. Sometimes it sells to other agencies. Quite recently, because of the lack of power, TVA has had to pay premium rates for some power, which has cut down the amount of money it has made for the United States Government.

I now yield to the Senator from Alabama.

Mr. HILL. Is it not true that neither Mr. Wilson's company, the Mississippi Power Co., nor any other company, has any dependable power at this time to sell to TVA?

Mr. KEFAUVER. That is correct.

Mr. HILL. All of them said there would have to be a 20-year contract, because they would have to build facilities to generate whatever power they might sell, if they were to sell power to TVA. Is it not true that neither Mr. Wilson nor anyone else would say what the price of such power would be?

Mr. KEFAUVER. That is absolutely true. On page 262 Mr. Wilson said:

We cannot determine the price of this power until we know all the characteristics and other factors involved in the production and delivery of it.

So the Senator is quite correct. No firm offer has been made, and none proposed.

Mr. HILL. Is it not true that in an interview in the National Tennessean a few days ago Mr. Wilson spoke of the cost or rates being some 50 percent higher than TVA now charges to its distributors who buy its power and distribute it?

Mr. KEFAUVER. That is correct, and he would sell the power.

Mr. HILL. It would be 50-percent higher.

Mr. KEFAUVER. He would propose selling to the TVA, power which, I believe, would be at a higher rate than TVA is now selling it to the city of Memphis.

Mr. HILL. It would be 50-percent higher, according to the interview in the Nashville Tennessean.

Mr. KEFAUVER. That is what he said in the interview.

Mr. MORSE. Mr. President, will the Senator yield for 2 or 3 questions bearing on the problems raised by the questions of the Senator from Arizona?

Mr. KEFAUVER. I yield.

Mr. MORSE. Am I correct in understanding that the steam plant being asked for by TVA is to serve consumers in an area now supplied with power by TVA?

Mr. KEFAUVER. That is correct; and in further answer to the question, it is to serve consumers in the area supplied by TVA, the area having been tacitly agreed upon and approved by Congress.

Mr. HILL. Mr. President, will the Senator from Tennessee yield in that connection?

Mr. KEFAUVER. I yield.

Mr. HILL. Is it not correct to say that the private power companies and TVA have scrupulously carried out their agreement?

Mr. KEFAUVER. Yes.

Mr. HILL. TVA does not seek to get into the territory of others or to extend its power? In other words, both sides, the private power companies on the one hand and TVA on the other hand, have scrupulously lived up to their agreement setting the limits of the territories for TVA?

Mr. KEFAUVER. That is correct. Mr. Barry, the president of the Alabama Power Co., and others testified that there was a good understanding between them and there had not been any effort on the part of TVA to extend its territory, and that they were both living up to the understanding or tacit agreement with reference to the territory involved.

Mr. MORSE. Mr. President, will the Senator from Tennessee yield?

Mr. KEFAUVER. I yield.

Mr. MORSE. Am I correct in my understanding that the amount of power to be generated by the proposed steam plant is needed to firm up the power program in that area and to supplement the power consumers will need within the next 3 or 4 years or more, and that, without TVA, they would be confronted with the choice either of having an inadequate supply of power or the necessity of bringing power in?

Mr. KEFAUVER. The Senator is right in the respect that unless the plant is built TVA will have to tell its customers, the farmers and homeowners and industries, that they can expect a power shortage in 1956, because of the power being used by the Atomic Energy Commission and other defense plants, which must be supplied.

It is not altogether correct to say that it is for the purpose of firming up the hydroelectric power. TVA would be firming up the hydroelectric power, and that would be the way it would be operated, except for the fact that in 1956 or next year, one-half of all the power produced will be used by the Atomic Energy Commission plant located in the valley, which frankly requires more power, and that fact requires them to go beyond the point of firming up the power. So it is necessary to build the steam plant to furnish the power users in the valley, plus the Atomic Energy Commission.

Mr. ELLENDER and Mr. MORSE addressed the Chair.

The PRESIDING OFFICER. Does the Senator yield; and if so, to whom?

Mr. KEFAUVER. I yield first to the Senator from Louisiana; then I will yield to the Senator from Oregon.

Mr. ELLENDER. For the information of my good friend from Oregon, I will say that the record shows that next year, of the amount of power produced in the Tennessee Valley, by what is known as the TVA, 66 percent will be produced by steam and only 34 percent by hydroelectric power generation. So it is not a question of firming it up.

Mr. KEFAUVER. That is by 1956, I believe.

Mr. ELLENDER. By 1954. By 1956, 67 percent of it will be produced by steam and 33 percent by hydroelectric power.

Mr. KEFAUVER. If the Senator will deduct the amount of power used by the Atomic Energy Commission it would be on the basis where hydroelectric power is being firmed up by steam power. It is by virtue of the demand of the Government of the United States on TVA, which they would gladly comply with, that they furnish power. It enabled us to get the atomic bomb sooner than we could otherwise have got it. That is why the situation exists which the Senator from Louisiana has described. I do not believe that the people of the Tennessee Valley ought to be penalized with respect to the power being produced at the dams because such a large proportion of the power is being used for atomic-energy development.

Mr. ELLENDER. I do not believe the people of Tennessee ought to be penalized. The Senator from Tennessee heard my good friend from Montana [Mr. MURRAY] state that because there was not adequate power in his State the plant that was supposed to have been built in Montana was transferred to and built in the Tennessee Valley area.

Mr. KEFAUVER. I shall come to that later. I will discuss the transferring of plants later.

Mr. ELLENDER. I wonder whether my good friend will tell us to what extent there is on the Government the obligation he speaks of, to build the steam plant. Are we to understand that the Senator is advocating that so long as there is a power shortage in the valley the Federal Government will be bound to build steam plants to meet the power shortage? Is that what the Senator contends?

Mr. KEFAUVER. That is the historic and legislative background of the obligation of the United States Government, in my opinion.

Mr. ELLENDER. If the Senator will examine the record he will find that many of us, including myself, voted to build steam plants so long as it was necessary to firm up hydroelectric power; but beyond that I did not think the Federal Government should undertake to build such plants.

Mr. KEFAUVER. I appreciate the fact that the Senator from Louisiana has always supported the building of dams and steam plants for the purpose of firming up power. That would be the situation today, except for the fact that the Government, in its wisdom, decided that it would produce atomic energy quicker by locating the plants at Oak Ridge and Paducah. I will say that there is a contract or an agreement or an obligation on the part of the Government to have TVA furnish power to the people in the valley, because in 1939, as the Senator so well knows, TVA had some generating facilities, hydroelectric power and perhaps a steam plant—no, it did not have a steam plant then, except the one at Wilson Dam—but at that time, an agreement was reached between cities that they would buy certain distribution systems from private power companies, and between cooperatives, which would

buy distribution systems from power companies out in the country, or REA cooperatives, and TVA bought transmission lines and certain generating facilities.

That contract was approved by Congress. There was also set out in that contract, or at least impliedly set forth, the area that would be served by TVA, by counties in Alabama and Mississippi and Kentucky, and certain sections in Tennessee and North Carolina. So, whether we believed in TVA in the beginning—and I want it understood that I did and have always believed in TVA and fought for it—that is the situation we are now confronted with, namely, because of the atomic energy program and other programs we will have a power shortage in the valley which will penalize the people there and place a lid on their economic development, unless the funds for the construction of the steam plant are appropriated.

Mr. ELLENDER. Mr. President, will the Senator yield further?

Mr. KEFAUVER. I yield.

Mr. ELLENDER. The question was asked as to whether private enterprise has offered to build a plant of sufficient size to furnish the energy. I refer my good friend to page 261, and the question asked by the Senator from Virginia [Mr. ROBERTSON]:

Senator ROBERTSON. This Fulton plant will produce an estimated 450,000 kilowatts. Would your company be able to furnish by the time we could get the Fulton plant built, and in operation, the extra 50,000, or is there some other company that could come in and help out on that?

Mr. WILSON. Our company would be willing to contract to furnish the 450,000 kilowatts.

Mr. MORSE. At what price?

Mr. KEFAUVER. Yes, Mr. President; that is what Mr. Wilson said.

Mr. ELLENDER. Mr. President, he further said that the energy could be produced and sold by him as cheaply as it could be produced and sold by TVA, if allowance were made for the taxes TVA does not pay.

Mr. MORSE. That was his boast.

Mr. KEFAUVER. Of course, he said later he did not know what price he would have to charge; he said that if they tried to sell any now, it would be subject to the demand of the local people; and that if they furnished any substantial amount, they would have to have a long-term contract; and he said the price would depend upon many, many other factors, which could not be known until conditions there developed.

All we are asking is that the TVA be allowed to operate in the way any utility does. Any utility has the responsibility of estimating the power needs of its section in the years to come.

In this case the estimate must be made for the power needs in the year 1956. A utility should not have to depend upon getting power here, there, or elsewhere, and upon contracting with another utility, when it does not know the price it will have to pay. The TVA has contracts in which the price is set forth. The TVA sells the power to Memphis and to the Atomic Energy Commission. If the TVA has to pay the Mississippi Power

Co. more per kilowatt for power than it sells the power for, the TVA will not be able to amortize and pay off its investment in 40 years.

Mr. ELLENDER. We would not expect the Mississippi Power Co. to compete with the TVA. The record shows that private concerns could produce power from a steam plant just as cheaply as the TVA could, provided the private concerns paid no taxes and were able to have a low interest rate, as is the case with TVA.

Mr. KEFAUVER. I think I can show—I shall do so a little later—that the Government is obtaining by far a greater return from the TVA than the Government would obtain in taxes from a comparable utility company.

Mr. ELLENDER. As I understand the Senator from Tennessee, his idea is that so long as there is a necessity for electricity within the TVA area, the Federal Government should build as many steam plants as may be necessary, in order to provide whatever electricity is needed.

Mr. KEFAUVER. I think that is the obligation of Congress, under the legislation which has been enacted.

Mr. MORSE. Mr. President, will the Senator from Tennessee yield to me?

Mr. KEFAUVER. I yield.

Mr. MORSE. Is it not true that the area for which the steam plant is requested has attracted industry and other large consumers of electric power, because of the TVA program?

Mr. KEFAUVER. The record shows that this section has built up greatly, that the power needs in the Memphis area in 1935 were a little more than 100,000 kilowatt-hours, but that now they amount to 1,350,000 kilowatt-hours. So the Senator from Oregon is correct.

Mr. MORSE. Is it not true that the steam plant which is requested would be located in an area as to which there is a general understanding that it would be served by the TVA, and not by power companies?

Mr. KEFAUVER. There is a general understanding, under the TVA contracts.

Mr. MORSE. Is it not true that the request for the steam plant is for one to be built in an area where, if private monopoly were let in—and please note that I refer to private monopoly, instead of private enterprise, because a private utility is not a private enterprise; it is a private monopoly, which is quite a different thing—then there would be created to a considerable degree what we call economic and jurisdictional disputes, which would not result in economic savings, but would result in economic waste?

Mr. KEFAUVER. That is exactly correct, and the purpose of the 1939 contract was to prevent such duplication and economic waste because of competing systems.

Mr. MORSE. Is it not true that the area for which the steam plant is requested is one which we should frankly admit is a part of a public-power program area?

Mr. KEFAUVER. That is correct. It is a part of a public-power program area; and the TVA is a very well run Gov-

ment corporation, and a very successful one.

Mr. MORSE. Is it not true that the steam plant the Senator from Tennessee is requesting would pay for itself, on a self-liquidating basis, and then would continue to pour into the Treasury of the United States profits from its operations?

Mr. KEFAUVER. I appreciate that question by the Senator from Oregon. The fact is that as of the present time the Government has approximately \$555 million invested in the electrical property of the Tennessee Valley Authority. By statute, the total electrical investment must be paid back to the Government within 40 years.

As of the present time, the Tennessee Valley Authority has actually paid to the Government, in retiring its obligations, \$86 million. It is ahead of schedule. In addition, \$207 million has been earned by the TVA and has been put back into its system—into transmission lines and other properties, in building up the system, which has been authorized by Congress. So over a period of years, the TVA has earned, on its electrical operations, approximately 5 percent on the Government's investment in power.

Mr. MORSE. On the basis of that explanation, is it not true that if the people, through Congress, proceed to construct this steam plant, in order to work out a coordinated program with the hydroelectric power dams, as a part of the public-power program of this area of the valley, the final result of the investment will be a capital asset owned by all the people of the United States, rather than by a private monopoly?

Mr. KEFAUVER. That is certainly correct. Forty years after it is built, it will be paid for. It will then be debt-free, and will be owned by the Government of the United States.

Mr. MORSE. I should like to ask two other questions, if the Senator will permit: Is it not true that if we reject this proposal and if we take the position that private monopoly should be allowed to build a steam plant in the area on any such general noncommittal terms as those testified to by Mr. Wilson in regard to what would be the ultimate cost to the taxpayers of the United States, it would simply amount, in fact, to having a private monopoly go into a public power area and having the taxpayers of the United States build the plant for the private monopoly, because certainly it will not operate the plant at a loss, but will charge rates sufficiently high to pay for the plant and also to provide a profit, at the expense of the taxpayer?

Mr. KEFAUVER. I think the Senator from Oregon is entirely correct.

Mr. MORSE. Is it not true that when we come to consider the argument about the tax contribution of private utility monopolies, it is easy to overlook the fact that the contribution of those utilities to the Federal Treasury, through taxes, amounts to much less than the contribution to the Federal Treasury as a result of the operations of such an institution as TVA, because TVA is able to supply consumers with cheaper power, and cheaper power means more new in-

dustries and more new jobs; and more new industries and more new jobs, along with the expanding economy which they promote, result in the payment of more taxes, by many fold, than ever would be paid by the private utility whose operations would restrict, rather than expand, the economy?

Mr. KEFAUVER. There is no question about it.

Furthermore, when we add what the Tennessee Valley Authority pays by way of tax replacement to the States and counties—which is in the neighborhood of a little less than \$4 million—to what the REA's and the city distribution systems pay—which is also in the neighborhood of \$4 million—we find that the total is a great deal more than any private power company in the section ever paid, and is comparable to what a private power company engaging in the same operation would pay.

Taking into consideration the fact that TVA is earning a profit of 5 percent, which is at least $2\frac{1}{2}$ percent more than the rate at which the Government can borrow money, it will be seen that that more than makes up for any possible little tax loss. It is true, as the Senator has said, that such projects build up the economy of the entire Nation.

While I am referring to tax matters, I should like to point out that back in 1933, when the TVA first came into existence, the people of the seven States in the area covered by the TVA were paying 3.4 percent of the Nation's income taxes, a very small percentage; but in 1951 the ratio had just about doubled. They were at that time paying 6.3 percent of the Nation's income taxes. Undoubtedly, that was the result of the activities of the Tennessee Valley Authority. The people of the area were able to contribute greatly to the taxes which are used in paying the expenses of running the affairs of the Nation.

Mr. MORSE. Mr. President, I thank the Senator for his answer to my questions, because I believe it is important to have them in the RECORD for future reference.

If he will permit one final question, let me ask if the Senator is aware of the fact that the taxpayers of the United States, under the program of tax amortization, have to date contributed to the private utilities of America, in round numbers, \$3 billion of plant value? Does the Senator realize that that amount has been given to private-utility monopolies gratis, for nothing, out of the pockets of the taxpayers? I may say that is why one does not find the Senator from Oregon shedding any tears over the treatment the private-utility monopoly has received from the Government.

But I join with the distinguished Senator from Tennessee in saying I am not going to be a party to letting private utilities creep into the Tennessee Valley area to take over the people's property at a tremendous profit to private monopoly. I am going to oppose the contention that TVA constitutes creeping socialism. I am going to do what I can to protect the American people from creeping monopoly.

Mr. KEFAUVER. I appreciate the observation of my friend, the Senator from Oregon. Of course, nothing would kill the Tennessee Valley Authority quicker than for it to be placed at the mercy of private utilities and be compelled to buy power at premium rates from private utilities surrounding the TVA. That would be exactly the weapon the private power companies would like to have in order to destroy TVA. They could charge high prices, and they would then be relieved of the burden of distribution. The TVA would not be able to meet its obligation to the Federal Government to pay off its indebtedness. It would not be able to operate as any other utility operates, in estimating and in supplying its own needs.

Mr. President, I have here the statement of R. B. Wilson, president of the Mississippi Power & Light Co., of Jackson, Miss., which appears at pages 260 and following of the hearings on House bill 5690. In his testimony Mr. Wilson had spoken of offers to sell power to TVA. He was asked to read from a letter he had received from Mr. Wessenauer, manager of power, Tennessee Valley Authority, Chattanooga, Tenn., in reply pointing out that there was no firm offer on Mr. Wilson's part to sell power to TVA. I ask unanimous consent to have printed in the RECORD at this point in my remarks an excerpt from the letter which appears at page 262 of the hearings.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

Reverting again to price, you are unwilling to say even that you could sell firm power to TVA at a price of \$1.50 per kilowatt per month, which was approximately the price you quoted for nonfirm power which we pointed out would be half again as much as the price which TVA resells the power to municipalities and cooperatives.

Inasmuch as the capacity of our existing interconnections is limited to approximately 100,000 kilowatts, all of which is usefully employed in economy interchange between our two systems, the delivery of any substantial blocks of firm power would require new generation. Your proposal would involve heavy cost of transmission. As you stated in your testimony before the House subcommittee, generating capacity should be located as close to the major load centers as practicable in order to minimize energy losses in transmission. The price at which you sell nonfirm is higher than you charge us for power you sold us last year for delivery to AEC. At a load factor of 50 percent, for example, the price would be well over 7 mills per kilowatt-hour. You expect this price to increase between now and 1956, because of the application of the fuel clause. As to the nonfirm power, we may have some use for it as a source of interim power for AEC during the coming winter. As for the firm power we would of course be willing to consider any offer you made, but an offer without a price is not an offer. Our discussion certainly suggested no basis for any hope that we could buy power from your system remotely comparable with the cost of providing power from the new stations in our own system.

Mr. KEFAUVER. Mr. President, during the hearings on the pending bill, the distinguished Senator from Louisiana recognized the burden the heavy atomic energy load had placed upon the Ten-

nessee Valley Authority, and the injustice that might be done to the people of the TVA region if they suffered a power shortage as a result. But he advocated that the atomic energy plants themselves should have standby plants to take care of the increased load.

Mr. President the fact with which we are faced is that it was not handled in that way. The atomic energy plants rely upon the TVA for power, and I think it is probably wise that standby plants were not built in connection with those plants, for reasons I shall state. In the first place, the atomic energy authorities have enough problems in running the atomic-energy business. They are not in the power business. If they had mammoth plants they would also have to organize a power division. The TVA is already in the power business, and has a competent group of engineers and technicians to operate the business.

In the second place, Mr. President, if the atomic energy plants were to rely for power upon their own standby plants or their own steam plants, they would have to have a much larger capacity than would otherwise be needed, in order to take care of breakdowns. In the event of the occurrence of difficulties, they would have to have some means of continuing their power supply.

In the third place, both would still be owned by the Government, 1 by the TVA, 1 by the Atomic Energy Commission.

In the fourth place, in the event one of the atomic energy plants did not need the power, I think it would be best to have it handled through an integrated system, so that the power throughout the TVA system could be used somewhere else.

The records show that the TVA has saved the Government a great deal of money by giving the Atomic Energy Commission a low rate. I think we should consider that a 1-mill increase in power sold to the Atomic Energy Commission, which in 1956 will use 50 billion kilowatt-hours, would cost the Government \$50 million a year. The TVA is selling power to the Paducah atomic energy plant somewhat cheaper than the five power companies, who got together and who are furnishing about 40 percent of the energy there.

Mr. President, what will the Tennessee Valley Authority tell the people within that area in 1956, if they do not have sufficient power? Is the Congress to deny the TVA funds with which to build a steam plant, and will it require the TVA to say to its customers, "You cannot have sufficient power"?

In the city of Memphis there will definitely be a shortage, and I think it should be pointed out that Memphis is now getting its power from the new Johnsonville steam plant and from the Pickwick Dam, both of which are more than 125 miles away from the city of Memphis. Nine percent of the powerload is lost in transmission, so that it would be more economical, not only in supplying the city of Memphis, but also in meeting other needs in west Tennessee, as well as any possible additional need at the atomic

energy plants in Kentucky, if funds were authorized for the steam plant.

Mr. President, I do not think there is any substantial dispute in the RECORD as to the correctness of the estimates of the TVA with respect to their power needs. The whole record shows they have been conservative in their estimates. Certainly, the engineers of the TVA are in a better position to estimate the power needs of the Valley than is someone who is not in the Valley. They have the experience of the past.

It will be found that in the record there are some of the various cities and the cooperatives who have made estimates as to what their needs in the future will be with reference to power. A very good cross section of these estimates is contained in letters in response to letters which I wrote asking that they give the Senate their estimates of needs. Their percentage of increase is greater than that estimated by the TVA, but they certainly bear out the estimate made by the TVA.

Something has been said, Mr. President, from time to time regarding charges that the Tennessee Valley Authority is pirating industries from other sections. There have been statements made to the effect that the TVA might be pirating industries from New England. That is not the policy of the TVA, and that charge is untrue. A survey showed that only 10 small industries have moved into the TVA area from some other region, with a total number of employees of less than 600. When a survey was started as to why they had moved into the TVA area, the first person who was asked the question said he wanted to get away from his mother-in-law. But in no case was the rate of TVA power the determining factor in connection with their moving.

We have developed our own industries in the Tennessee Valley region. The chemical industry and the aluminum industry were there to begin with. Through the TVA forestry program we have one industry which will make paper, and there are other industries dealing in woodworking.

Under the agricultural program there is more grazing land. There is a large milk and cheese industry, so that we have cheese factories. The shoe business in the valley has built up. The TVA has not been taking industries from other sections.

Most of the articles which TVA has purchased, such as generators and dynamos, have come from other sections of the United States. I have here a record which shows that a very substantial amount comes from almost every State in the Union. The manufacturing of those articles furnishes employment in other States. Milking machines, radios, television sets, and other electrical apparatus bought in large amounts in the Tennessee Valley area are largely made in other sections of the United States. That has added greatly to the payrolls in other sections.

I placed in the CONGRESSIONAL RECORD on July 1 a breakdown of what the TVA itself had been buying from other States.

The amount expended, as I recall, was somewhere in the neighborhood of \$700 million.

Mr. President, I hope the Senate will do the right thing by the people of the Tennessee Valley who are dependent upon the TVA for electricity. The issue as to whether they would be dependent was settled a long time ago. They are now dependent, because that issue was settled and approved by the Congress itself. There will be a shortage of power in the Tennessee Valley because of the fact that atomic energy plants and other defense installations have taken so much electric power.

We are not engaged in firming up electricity because of that fact; but the TVA should not be penalized.

I hope very much that the Senate will agree to this amendment.

Mr. HILL. Mr. President, in his able address in behalf of the amendment the distinguished Senator from Tennessee said that, according to the estimates of the Tennessee Valley Authority, unless money is provided now for the construction of the plant to which reference has been made there will be a shortage in the Tennessee Valley in 1956 of approximately 156 thousand kilowatts of power.

As the Senator from Tennessee has emphasized, great steam plants can not be constructed over night. It takes 3 years from the time the building is started until there is a completed plant which will produce the necessary kilowatts of power.

So, Mr. President, if we are to have this plant and to have the power from it made available, if we are to avoid the shortage which the estimates of the TVA show we shall have in 1956, we must make available now the money for its construction.

In 1939 the Congress of the United States, in its wisdom, passed a law providing for the purchase of all facilities within the Tennessee Valley area owned and operated by private power companies. That act provided for the purchase of the Tennessee Electric Power Company. So, after the passage of the act of 1939 and the purchase of the facilities of private power companies, the only generating and distributing system in all the Tennessee Valley was the Tennessee Valley Authority. That is the situation today. The only source of power in the entire Valley region is the Tennessee Valley Authority.

As was brought out by the Senator from Tennessee, when the Act was passed in 1939 and the facilities of the private power companies were purchased by the Government, there was what might be termed a gentleman's agreement entered into between the TVA, on the one hand, and the private power companies in the adjacent areas, on the other hand. Both the power companies and the Tennessee Valley Authority have scrupulously carried out the terms of the agreement. The TVA has stayed within the territory prescribed for it in the agreement.

Mr. KEFAUVER. Mr. President, will the Senator from Alabama yield for a question?

Mr. HILL. I yield.

Mr. KEFAUVER. I have before me the hearings held by the House Military Affairs Committee with reference to the 1939 act, whereby the purchase of the properties was approved. The Senator said there was a tacit agreement between the TVA and the private power utilities in reference to the TVA furnishing power in this area. According to the hearings and the report of the House Committee, the tacit agreement included also the House Military Affairs Committee, the House of Representatives, and Congress itself.

Mr. HILL. The Senator is correct. Congress was a party. It approved the agreement, and really made itself a party to it. By the action of Congress, and by the agreement, TVA became the sole generator source of power within the Tennessee Valley area. Congress intended that within that area the Tennessee Valley Authority should be the sole and only generator source of electric energy.

The people of the Tennessee Valley have looked to TVA since 1939 as their one source of electric energy, just as today TVA is the only source of electric energy in the valley. Not only do the people look to the Tennessee Valley Authority, but the TVA, acting under the direction of Congress, as provided in the act to which the Senator from Tennessee has referred, and in carrying out provisions of the act, has entered into contracts with municipalities, farmer cooperatives, and distributors of power, to meet the power needs. As we know, most of the contracts are for a period of 20 years. So by the action of Congress, the people in that region have a right to expect that the Tennessee Valley Authority will fulfill their needs for power.

Mr. KEFAUVER. Mr. President, will the Senator yield further?

Mr. HILL. I yield to the Senator from Tennessee.

Mr. KEFAUVER. Is it not also true that cities and cooperatives distributing power have invested large sums of money in distributing systems?

Mr. HILL. Relying on the action of Congress, and on their right to obtain power from TVA, as provided by Congress, municipalities, rural cooperatives, and other distributors have made an investment of more than \$400 million in distribution systems.

Mr. SPARKMAN. Mr. President, will the Senator yield?

Mr. HILL. In a moment. I wish to emphasize the fact that the Tennessee Valley Authority has sought to decentralize the distribution of its power, just as it has sought to decentralize many of its other activities, as I brought out earlier.

For example, the Tennessee Valley Authority does not carry power to individual homes or individual farms. It has contracts with some 150 distributors. The Tennessee Valley Authority makes direct sales to a few large industries, such as the Aluminum Company of America, but that practice has grown out of a situation in which the Tennessee Valley Authority found itself

when it came into the valley. However, it has contracts with some 150 local distributors of all kinds. The distributors buy power from TVA, and, in turn, distribute the power over their own lines.

I now yield to my colleague, the junior Senator from Alabama.

Mr. SPARKMAN. I did not ask my colleague to yield for this purpose, but since he has spoken about individual distributors, I naturally thought of my own home town, which was one of the last to become a distributor following enactment of the measure we have been discussing. The city paid \$1,600,000 for a distributing system. Bonds were issued in the amount of \$1,750,000, extending over a period of 20 or 25 years. Since that time the city has added \$4 million to the distribution system. It has undertaken the distribution of power to a farming area through rural electrification, and has a 99 percent saturation in the service of the rural area. A week or so ago some 10 or 15 years ahead of time, the city paid off the last of its bonds. Consumers have been saved \$7 million. A half million dollars has been paid to the city in lieu of taxes.

That is one of the 150 distribution systems which have been distributing power, and it has a right to rely on TVA to continue to furnish power to meet the needs of the normal growth of that community, as has every other community, and also the rural population.

The amount of power consumed by the rural population is no small item. Practically every area in north Alabama served by TVA has reached a saturation point of 99 percent of service in the rural areas.

Mr. HILL. I wish to thank the junior Senator from Alabama for his contribution to this debate. In that connection, I call attention to the fact that we have now moved fully into what may be called the power age. Last year municipal cooperative systems distributing TVA power required for their customers three times as much electricity as during the last year of World War II. When I speak of cooperative systems, I mean farmers' cooperatives and the REA. Homes and farms of the region were using more than five times as much electricity as they used in the last year of World War II. From 1945 to 1953, a period of 7 years, there has been this enormous increase in the use of power.

As the junior Senator from Alabama has illustrated, his lovely home city of Huntsville did not bring TVA into existence. Congress did that. Congress gave TVA a preemption of the territory, and made it the sole and only generator source of electricity there. In the act it passed Congress said to the people in so many words, "TVA will supply power. It is to TVA that you can look. It is to TVA that you must look for your power."

Mr. SPARKMAN. Mr. President, will the Senator yield further?

Mr. HILL. I yield.

Mr. SPARKMAN. We have been hearing much about the tacit agreement. I hope the senior Senator from Tennessee will listen to what I am about to say. I am referring to the tacit agreement in the law of 1939. It is true there is no

provision written into the law that says, "Thou shalt not move into this territory." However, I sat through every single minute of the House hearings. I was a Member of the House and of the Committee on Military Affairs at the time of the hearings. As a matter of fact, I introduced the bill in the House. If today we were to read those hearings, we would find there was not much of anything that was tacit, so far as the hearings were concerned. If I remember correctly, even in the law itself the territory was outlined. Twelve counties in Alabama were named individually, one by one. Birmingham and Tarrant were named.

Mr. HILL. That is correct.

Mr. SPARKMAN. North Mississippi and all of Tennessee, with the exception of a little corner in the northeastern part of the State, were named.

While it was not provided that there should be no passing from one territory to another, the territory was outlined in the law, and certainly all the testimony and debate relating to it were to the effect that TVA thereafter would serve that territory, and that private power companies would serve the other territory.

By the way, that did not come as a suggestion from TVA. Mr. Wendell Wilkie was the spokesman for the private power companies. He was president of Commonwealth and Southern at that time, a holding company for various power companies in that area. He was the one who suggested the drawing of the line. I believe it will be found that he advocated that it actually be written into the law.

Mr. HILL. He was at that time president of Commonwealth and Southern, which was the holding company of private power companies in Tennessee.

Mr. SPARKMAN. Tennessee Electric Power, Mississippi Power, and Alabama Power were the three companies which were involved. The suggestion as to the division of territory was made by Mr. Wilkie. It was agreed to, and thereafter, in the area which was defined in the act, we had a right to expect that when we went to TVA we would find sufficient power to meet the needs of the average community in its normal growth.

Mr. HILL. The Senator is exactly correct. Unless we provide power for the normal growth of communities there, we put an economic lid on that area. We slap a ceiling down on it. We say, "There can be no further growth." The Senator knows that there can be no further growth today without electric power.

Mr. SPARKMAN. A little earlier reference was made to the fact that Mr. Barry, who today holds a position analogous to that once held by Mr. Wilkie, in that he is the head of what is now Southern Power Co., instead of Commonwealth & Southern, testified in the hearing that that agreement had been lived up to meticulously.

Mr. HILL. Yes. He testified voluntarily and of his own free will that TVA as well as the private power companies, has scrupulously adhered to that agreement. There had been no disposition or effort in any way on the part of TVA

to extend its territory, and, by the same token, the private power companies have not sought to enter into TVA's territory.

Mr. GORE. Mr. President, will the Senator yield?

Mr. HILL. I yield to my friend, the distinguished junior Senator from Tennessee.

Mr. GORE. I should like to point out that there is nothing whatsoever unusual about this kind of arrangement. The distribution of electricity is essentially monopolistic in its character, because the cost of distribution is so great that duplicating retail distribution systems would be utterly uneconomic. Does the distinguished senior Senator from Alabama know of any large compact areas or any large cities in America which are supplied by competing and duplicating electrical systems?

Mr. HILL. The Senator has well stated the case. The distribution of electricity today is a monopoly.

Mr. GORE. Whether public or private.

Mr. HILL. Whether it be a private monopoly or a public monopoly, it is nevertheless a monopoly. No public service commission today would think for a minute of permitting parallel lines of two separate companies. In its very nature the operation is per se, so to speak, a monopolistic enterprise.

Mr. GORE. Is not the same true of gas distribution?

Mr. HILL. The Senator is exactly right.

Mr. GORE. Those who would condemn the TVA as being a monopoly within a given service area must, by the same measurement, condemn the Arkansas Power & Light Co. and the Idaho Power & Light Co.; indeed, they must condemn not only all electrical utility systems, but gas systems as well.

Mr. HILL. The Senator is exactly right. I thank him for bringing out that point.

What I wish to emphasize is that unless we provide funds for the generation of power by the TVA, we shall strangle this area. We shall have failed to meet the Government's obligation to provide the power needed by the area, because surely there can be no economic growth or progress unless there be more and more power. The other day I saw some figures showing that in more recent years the demand for power generally had doubled throughout the country every 10 years. The demand throughout the United States has increased in the same way it has increased in the Tennessee Valley. Unless we are to slap a ceiling on that area, we must provide this power.

Mr. GORE. Mr. President, will the Senator further yield?

Mr. HILL. I yield.

Mr. GORE. That ever-increasing demand for electricity would not indicate that the electric power industry is an unhealthy industry, would it?

Mr. HILL. Not only would it not indicate that it is an unhealthy industry, but, on the contrary, it would indicate that it is a healthy one. It would indicate a healthy condition in the country, and it would indicate the strength that is America.

Mr. GORE. And a profit.

Mr. HILL. So far as the private power companies are concerned, of course it would indicate a good profit for them. That is another thing to bear in mind when we speak of the power industry.

So far as the private power company is concerned, it is a cost-plus operation. Not only is it a cost-plus operation, but very rarely does any private power company ever try to amortize out or pay off its capital investment. It goes on year after year, with the consumers of power paying the interest rates on the capital invested, paying on the bonds and the preferred stock.

Mr. KEFAUVER. Mr. President, will the Senator yield?

Mr. HILL. I yield to my friend from Tennessee.

Mr. KEFAUVER. Further substantiating the fact that Congress itself has approved the area within which people in the TVA area should look to it for power, the delineation of the territory is found in section 15 (c) of the TVA Act. That was the result of the hearings to which the Senator from Alabama [Mr. SPARKMAN] referred. A contract was made between Commonwealth and Southern and the TVA. As the Senator knows, section 15 (c) of the act provides for the issuance of bonds by the TVA in the amount of \$61,500,000.

Mr. HILL. That was to buy out the Tennessee Electric Power Co. and the Southern Tennessee Power Co., which were the two private power companies still operating at that time in the Tennessee Valley.

Mr. KEFAUVER. The Senator will note that in section 15 (c), subsection 2, of the act, specific counties in Alabama, North Carolina, and Mississippi are mentioned as TVA territory.

Mr. HILL. That is correct. The counties are set forth in subsection 2 of section 15 (c). They are Jackson, Madison, Limestone, Lauderdale, Colbert, Lawrence, Morgan, Marshall, De Kalb, Cherokee, Cullman, Winston, Franklin, Marion, and Lamar Counties in northern Alabama. There are also set forth counties in northern Mississippi. The Senator is exactly correct.

Mr. SPARKMAN. In further support of the necessity for carrying out that agreement, as everyone understood when it was written into the act, the Senator knows that following that time various communities in Alabama—and I assume that is true in other areas too—tried to get TVA service.

Mr. HILL. That is correct.

Mr. SPARKMAN. They tried to get PWA loans to build their own distribution systems or buy out distribution systems and tie up with TVA. Without exception they were told that they could not do it because they were not in TVA territory.

Mr. HILL. That is correct. TVA territory was limited. It could not operate outside that territory; and since those communities were not in that territory, therefore they could not get the power. That is absolutely correct.

So we are dealing with a very limited area, but an area which for its power, and for meeting its power needs, is abso-

lutely at the mercy of the Federal Government, through the TVA.

The distinguished Senator from Tennessee [Mr. KEFAUVER] in his speech referred to the TVA estimates, and I shall not impose upon the Senate to go into that question. However, I should like to have placed in the RECORD at this point a table which shows that every one of the TVA estimates from 1947 on down through 1952 which was used as the basis for the addition of any generating facility, or used as a basis for securing any funds to in any way enlarge its production of power or in any way enlarge its electrical plant, was less than what proved to be the actual demand.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE III.—2- to 4-year advance estimates of demand on TVA system compared to actual demand and dependable capacity

Year	Advance estimate of peak demand	Actual demand	Dependable capacity ¹	Percent reserve
	Millions of kilowatts	Millions of kilowatts	Millions of kilowatts	
1947.....	1.8	2.2	2.2	0
1948.....	2.2	2.5	2.3	-8
1949.....	2.5	2.7	2.7	0
1950.....	2.7	3.2	2.9	-9
1951.....	2.9	3.8	3.5	-8
1952.....	3.5	4.2	4.4	5

¹ Includes firm purchases.

² Loads curtailed.

Sources: Federal Power Commission, FPC publication: Electric Power Statistics, TVA Statement June 30, 1953.

Mr. HILL. Mr. President, I shall not read the table, but it is a fact that each estimate was less than what proved to be the actual demand.

Of course, the allegation that TVA is always overestimating its needs is as old as TVA itself. I was a member of the House Committee on Military Affairs, and I remember the opposition of the private power companies, which reiterated over and over again that we were going to provide for a great deal of power for which there would be no need, and that a great deal of surplus of power would go to waste, because there would be no purchasers for it. I recall even as late as 1935 Mr. E. A. Yates, of the Commonwealth & Southern Co.—and that is one of the companies to which we have been referring—who was one of the witnesses called by the Senate Committee on Appropriations, testified in 1935 that the area had "surplus capacity sufficient to provide for future growth for the next 6 years based on most optimistic estimates of service to rural, domestic, and industrial consumers."

In other words, they did not need anything in addition. That estimate proved all wrong. We went ahead. In spite of his estimate and his statement, we provided the money TVA said it needed, and every kilowatt of power for which we provided was needed, and every kilowatt was sold, and has brought its return to the Treasury of the United States.

The fact is that in all the 20 years TVA has been operative it has not built one plant, and it has not installed one

unit in any one plant, for which there has not been a need and for which there has not been an immediate ready sale of the power generated by the facility or unit.

Mr. GORE. Mr. President, will the Senator yield?

Mr. HILL. I yield.

Mr. GORE. Nor has there been one single year, despite the so-called unneeded construction, in which TVA has not bought power from surrounding utility companies.

Mr. HILL. The Senator is absolutely right. TVA has been forced every year to buy power from surrounding utilities, because it did not have sufficient power itself to meet the need. TVA has an astounding record of accuracy in its estimates, particularly when we remember that, for instance, the Edison Electric Institute in 12 successive semi-annual surveys, made during the past 6 years, has found it necessary every time to raise its long-range forecasts. I believe all of us consider the Westinghouse Co. as one of the most reliable and one of the most efficient electrical companies in the United States. Yet we find that they made an estimate in 1947 as to the power that would be needed in this country by 1957, and more power than they estimated would be needed in 1957 was actually needed as early as 1952.

Mr. KEFAUVER. Mr. President, will the Senator yield?

Mr. HILL. I yield to my good friend from Tennessee.

Mr. KEFAUVER. On page 265 of the hearings there will be found a statement by Mr. Wilson, the president of the Mississippi Power & Light Co. He was asked the question as to what he thought about the power system manager of TVA, Mr. Wessenauer. He said, "I have a very high regard and high respect for him."

I quote from the testimony at page 265:

Senator HILL. Do you think he is an able power system manager?

Mr. WILSON. I have a very high regard and high respect for him.

Senator HILL. Do you think he is as capable as most power system managers in estimating power requirements?

Mr. WILSON. I think he is a very capable man; yes, sir.

Mr. HILL. The Senator from Tennessee knows that practically every witness who appeared before the committee representing private power companies was asked that same question by me, and each of the heads of the big power companies testified that way about Mr. Wessenauer's capabilities, and the fact that he was safe and sane on estimates. Is that not correct?

Mr. KEFAUVER. That is correct. I think some of the witnesses testified that a person in the Valley as capable as Mr. Wessenauer is, would be in a better position to estimate the needs of the Valley than someone else on the outside.

Mr. HILL. That was the next point I was going to make, Mr. President. The private power company officials stated that a man so capable in his estimations was better able to make estimates on his own system than would be some out-

sider who has no connection and no association or relation with that system. He lives with his problem every day. He is there day after day. He knows his system. He knows the needs of his system. He knows the problems of his system. Of course, he is the most qualified man to make the estimates, instead of someone from the outside, who knows nothing about the system. The doctor who examines thoroughly a patient is certainly in a much better position to diagnose the patient's ailment than one who has never seen the patient.

Mr. GORE. Mr. President, will the Senator yield?

Mr. HILL. I am glad to yield to my friend from Tennessee.

Mr. GORE. Did not the private-power spokesmen also testify that because of the growing demands on their own facilities, as well as the growing demands on the facilities of TVA, they, the private-power companies, had annually purchased power from TVA, just as TVA had annually purchased power from them, and the relations between them from a business as well as a personal standpoint had been highly satisfactory?

Mr. HILL. They certainly did say that. And they said that that was one of the main bases for the high esteem in which they held Mr. Wessenauer. They dealt with him and came to know him, and they were in a position to pass upon his capabilities.

Mr. SPARKMAN. Mr. President, will the Senator yield?

Mr. HILL. I yield to my distinguished colleague.

Mr. SPARKMAN. I was just reading the hearings held in 1939 by the House Committee on Military Affairs on the act that has been referred to, and I ran across a statement by Mr. Wendell Willkie. I think that if a man knew the power industry, certainly in our area of the country, Mr. Willkie knew it. A question was asked him as to what his estimate was of the ability of TVA to furnish power to an area.

He said:

Well, sir, you see that depends. I do not want to enter into a dispute about that. No man can say exactly about those things. As I said to a group of our engineers the other day, "Every one of you has drawn power charts for me over the period of the last several years, and every one of them has been wrong." They are at most educated guesses. You may say the increase is going to be 10 percent next year and 10 percent the year after that and 10 percent the next year. They are just using a sharp pencil. Like the old saying, "Give me two suppositions, and I will prove that I am a brother of Julius Caesar."

Mr. HILL. That was a very good way of putting it. We all know what an outstanding authority he was on power, as well as on many other subjects.

Mr. SPARKMAN. Is it not correct to say that in the present hearings some of the private-power people testified that a 10-percent margin estimation was very good?

Mr. HILL. That is correct. They certainly did.

(At this point Mr. HILL yielded to Mr. MORSE for the purpose of making a statement on the legislative program, which,

by unanimous consent, was ordered to be printed at the conclusion of Mr. HILL's speech.)

Mr. HILL. Mr. President, I wish to address myself for a few minutes to the subject of steam power and hydroelectric power. As the Senator from Tennessee has pointed out, the construction of so many steam plants for the generation of electric power has been required by the power demands of the Atomic Energy Commission and the various defense industries. It might be said that the Atomic Energy Commission has a gargantuan appetite. Nothing else known to man requires so much power as does the production of atomic bombs.

Mr. KEFAUVER. Mr. President, will the Senator from Alabama yield?

The PRESIDING OFFICER (Mr. GOLDWATER in the chair). Does the Senator from Alabama yield to the Senator from Tennessee?

Mr. HILL. I yield.

Mr. KEFAUVER. I understand—and I think the information to which I shall refer has been published, and thus is not restricted—that a single one of the several plants at Oak Ridge uses more electricity than the total amount of electricity used by the entire city of Detroit, with all its industries. In that connection, we must recall that there are several plants at Oak Ridge. That illustrates the great drain made by those plants upon the production of electric energy.

Mr. HILL. Yes. As a matter of fact, I understand that one of those plants uses more electric power than the total amount used in the entire city of New York. Although Detroit and New York use tremendous amounts of electric power, yet neither one of those vast cities uses as much electric power as the amount used by only one of the units of the Atomic Energy Commission.

Mr. President, on December 31, 1950, steam-plant-generated electric power constituted 14.6 percent of all the electrical power of the TVA system. That was a very small percentage. I doubt that any great power system in the United States today has so small a percentage of steam-plant-generated electric power.

On December 31, 1951, the percentage, in the case of steam-plant-generated power, was 18.9 percent of the total amount of power of the Tennessee Valley Authority system. On December 31, 1952, it was 29.6 percent. The estimate is that on December 31, 1953, it will be 40.9 percent; on December 31, 1954, 55.2 percent; on December 31, 1955, 62.2 percent; and on December 31, 1956, 63.2 percent.

As the Senator from Tennessee has said, because of the tremendous amount of electrical energy used at Oak Ridge and at the new Paducah atomic-energy plant, the Tennessee Valley Authority is providing 62 percent of the power for the great atomic-energy plant at Paducah, whereas the private power companies are providing only approximately 38 percent. As Mr. Clapp testified before the Senate Appropriations Committee, the Atomic Energy Commission uses half of all that power.

Mr. President, in connection with the figures I have submitted regarding the use of steam plant generated electric power in connection with the Tennessee Valley Authority system, I ask unanimous consent to have printed at this point in the RECORD a brief tabulation on that subject.

There being no objection, the tabulation was ordered to be printed in the RECORD, as follows:

Steam power on the TVA system—

	Percent steam
Steam capacity (kilowatts), as of Dec. 31:	
1941, 226,920.....	21.3
1945, 450,400.....	17.8
1950, 440,050 ¹	14.6
1951, 669,050.....	18.9
1952, 1,341,550.....	29.6
1953, 2,376,550 ²	40.9
1954, 4,311,550 ²	55.2
1955, 5,886,550 ²	62.2
1956, 6,291,550 ²	63.2

¹ In this and previous year obsolete small steam units were retired.

² Estimated.

Mr. HILL. As we know, Mr. President, there are many other defense installations in that area—such as the aircraft center at Tullahoma, Tenn., the Ordnance plant at Huntsville, Ala., and the chemical and metallurgical plants that are tied in with those defense activities. Many of those defense plants consume vast quantities of electric power. It was in the interest of the United States Government to locate the atomic-energy plants at Oak Ridge and at Paducah, not only because of geographical considerations, but also because there is an adequate supply of water there and an adequate supply of electric power. Of course, those plants use vast quantities of water, as well as vast amounts of electricity.

The United States Government has saved millions of dollars from the Tennessee Valley Authority alone. The Senator from Tennessee has pointed out that an increase of 1 mill in the rate for power would, in view of the tremendous amount of power used by the Atomic Energy Commission, cost the Federal Government \$50 million. Furthermore, by establishing the plants in that area, not only was the Federal Government able to save millions of dollars on its power bill, but cheap power from the TVA plants acted as a yardstick, and resulted in the establishment of cheaper rates for the power provided by the private companies.

Mr. KEFAUVER. Mr. President, will the Senator from Alabama yield to me at this point?

Mr. HILL. I yield.

Mr. KEFAUVER. Is it not true that the low-cost electric power furnished by the TVA to the plants at Oak Ridge and Paducah has been substantially instrumental in enabling the Atomic Energy Commission to obtain a fairly low rate for electric power at Portsmouth, Ohio, with the result that the Government has been able to save a great deal of money?

Mr. HILL. There can be no doubt of that. As a result of both those factors, the Government has been able to save

millions upon millions of dollars, and the savings will continue in the future.

Some persons ask why the TVA does not buy power from private power companies in the surrounding areas. Of course, one reason is that most of those companies are off to one side. Furthermore, we know the feeling of the private power companies for the TVA. To require the TVA to depend upon private power companies would be somewhat similar to putting a lamb into a cage with a lion, or putting Little Red Riding Hood in bed with the wolf. If there is one thing the private power companies would like to do, it is to destroy the TVA, because they wish to destroy the yardstick the TVA provides, which is of such great benefit to the American people.

Mr. KEFAUVER. Mr. President, can the Senator from Alabama think of any more effective way to destroy the TVA than to make it dependent upon, and at the mercy of, the private power companies?

Mr. HILL. I cannot. Earlier the Senator from Tennessee referred to the Mississippi Power Co. Of course, it is a Mississippi institution and naturally its first interest is in—as it should be—the people of the State of Mississippi. That company would therefore quite naturally give the first call on its power to the Mississippi consumers, not to the TVA.

I think we can readily realize that if an effort were made on the part of the company not to give the preference to the consumers in Mississippi, it would be found that the Mississippi Public Service Commission would intervene and would make the power company do so.

Of course, we can well appreciate that it would only be reasonable if there were power that cost more and power that cost less, their own consumers within the State of Mississippi would get the cheaper power, forcing the TVA to buy its power at a higher cost.

Much depends upon what may be called the economic location of the plants, having them located properly from a geographic standpoint so far as the power load is concerned. It is of course true that a location away off on the edge of a great area or region would not be an economic location and that a plant so situated, operating at a remote distance, would incur all kinds of additional costs, such as the additional costs resulting from losses in the transmission of power, and from the heavy additional cost of constructing transmission lines for the purpose of transmitting the power.

As the Senator from Tennessee brought out—and I think I asked him a question about it—with all the gestures about selling power to TVA, no company ever said, "We will sell power to the TVA for so much per kilowatt." No company ever offered to supply power at a definite price. Of course, an offer without a price means nothing. It is no offer at all. Price is a very essential ingredient in the making of a contract.

I call attention to the fact that a nationally known Mississippian, Mr. R. B. Wilson, has said that his price would be about 50 percent higher than the cost of power generated and sold by TVA.

Mr. President, I thought that one distinguished witness put the matter very aptly when, in reply to a question, he asked, "Why make the Tennessee Valley area a colonial region, why make it a colonial dependency, forced to subsist on the marginal high-cost power of private companies whose own consumers will hate us for milking their electrical cow through the State fence?"

No, Mr. President, to force the people of the Tennessee Valley to rely upon private power companies outside the Tennessee Valley for their power would have the effect of destroying TVA, and the people of that area would be placed entirely at the mercy of the private power companies. On the day that is done the people of the Tennessee Valley will be forced to pay a higher price for power than the price paid by consumers in the surrounding areas.

Let us not forget that the Tennessee Valley Authority has returned to the Federal Treasury 5 percent on investments made by the Government in power facilities, and that under the law as it stands today the Tennessee Valley Authority is required to pay back, over a period of 40 years, every Federal dollar that goes into the Tennessee Valley project. As I have said, that is an entirely different situation from that which pertains to the private power companies, certainly none of which, to my knowledge, has ever made an attempt to amortize its indebtedness or to pay its indebtedness. The consumers pay on those investments year after year, and no attempt is ever made to amortize them.

Mr. KEFAUVER. Mr. President, will the Senator yield for a question?

Mr. HILL. I yield to the distinguished Senator from Tennessee.

Mr. KEFAUVER. Does it not seem to be a contradiction for the Congress to take the position that the TVA must return the investment it represents within 40 years and at the same time to say that the TVA must reduce its earnings by being required to buy high-priced, premium power from utilities far away from the TVA area?

Mr. HILL. That does seem to be true, for the reason that not only must the people within that area, under the law, pay back every dollar the Federal Government has invested in power facilities there but also, after every dollar has been paid back, the Federal Government will own all those facilities in fee simple. The people are paying back the investment, with 5 percent interest, with amortization of the full cost. It is a fact that the general situation within that area has been good. We have had plenty of water, and we have had cheap coal along with the abundant supply of water. A waterway has been developed to provide cheap transportation, and there have been various factors which have made it possible for the TVA to operate with economy and efficiency.

In that connection I may say that the TVA has spent outside the valley most of the money it has invested in plants, facilities, and various improvements. More than \$650 million has been spent in other States of the United States, while the people of the Tennessee Valley have themselves sent out of that valley ap-

proximately \$1 billion for the purchase of electrical equipment and supplies of all kinds for use in the home, on the farm, and in the industries and businesses within the valley. So, Mr. President, we are confronted with the proposition that we must provide power if we are not to put chains on the future growth and future progress of that region.

We cannot weaken that area without weakening the whole United States. A chain is no stronger than its weakest link. We cannot forget that the Tennessee Valley is the center of great production for our defense, a great arsenal for defense, a great citadel of defense, with its atomic energy production, its aluminum production, its metallurgical production, its production of many important articles which made us strong in World War II and which contributed so much to the winning of that war. The TVA stands there today, Mr. President, as a tower of strength for America, so that America may be the better able to defend herself and we may keep America free.

LEGISLATIVE PROGRAM

During the delivery of Mr. HILL's speech,

Mr. MORSE. Mr. President, will the Senator from Alabama yield?

Mr. HILL. I yield to my distinguished friend from Oregon.

Mr. MORSE. Mr. President, I ask the Senator to yield with the understanding that my brief interruption will follow his remarks in the RECORD.

I should like to announce that the majority leader and I have entered into a gentleman's understanding, or cooperative arrangement, it might be called, that the Independent Party will postpone until tomorrow morning at 11:30 o'clock its weekly report for this week, in spite of the fact that today is Friday. In keeping with my great desire always to cooperate in such a matter and also in recognition of the fact that if the Senate concludes its consideration of the pending bill by 7 or 7:30 o'clock, other business will follow so that it would probably be 8 or 9 o'clock before I could begin my remarks, I think it would be unfair to the staff of the Senate, as well as to my colleagues, to make my speech tonight. So I will speak tomorrow, if convenient to the Senate—and the acting majority leader thinks it will be—at 11:30 a. m.

I wish to thank the acting majority leader for his cooperation regarding this matter.

I wish to say to the press that in view of the fact that copies of my speech were made available this afternoon to the press, although I do not expect very much comment upon it, anyway, from the press, nevertheless if any of the press decide to comment on the speech, I hope they will withhold the comments until tomorrow.

Mr. KNOWLAND. Mr. President, I appreciate the action of the Senator from Oregon.

When we complete action on the second independent offices appropriation bill, on which we have been working all day today, it is planned to consider five

bills which I believe are relatively non-controversial in character, and about which I earlier gave notice to the minority leader and also to the Senate as a whole. When we dispose of those bills, it will be my purpose to move that the Senate take a recess until 11 o'clock tomorrow morning.

On tomorrow, after a morning hour, I expect the Senator from Oregon will have an opportunity to make his remarks.

The Republicans have a luncheon engagement tomorrow. It will take about an hour's time. Then we shall proceed with the legislative program.

ORDER FOR RECESS UNTIL 11 O'CLOCK A. M. TOMORROW

Mr. KNOWLAND. Mr. President, I ask unanimous consent that, when the Senate completes its business this evening, it take a recess until 11 o'clock tomorrow morning.

The PRESIDING OFFICER. Is there objection to the request of the Senator from California? The Chair hears none, and it is so ordered.

SECOND INDEPENDENT OFFICES APPROPRIATIONS, 1954

The Senate resumed the consideration of the bill (H. R. 5690) making appropriations for additional independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1954, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Tennessee [Mr. KEFAUVER] for himself and other Senators.

Mr. GORE. Mr. President, my senior colleague from Tennessee, the senior Senator from Alabama, together with Senators from several States, have so thoroughly covered this subject that the door for discussion is limited for me unless I want to indulge in repetition, which I do not desire to do at this late hour.

Mr. President, just as the door for further discussion without repetition has been closed by the able debate of the day, so have many questions regarding the TVA been closed, some of them long before the junior Senator from Tennessee came to Washington even as a Member of the House of Representatives.

When I hear TVA condemned, I notice it is invariably condemned because it has been a success.

The arguments against the TVA are largely arguments that the Government of the United States should not be in the power business.

Mr. President, that is one of the doors that was closed long ago. Whether we like it or not, the Government is in the power business. We are here representing the stockholders of one of the largest and most successful integrated electric utility systems in the world.

I do not want to approach this question in any spirit of politics. I will say to the distinguished acting majority leader, for whom I have come to have an exceedingly high respect and a very warm per-

sonal regard, that I do not consider the bill before the Senate as an anti-TVA bill. In many respects the bill deals generously with the TVA and the TVA region. I do not think enough credence has been given to the estimates of the TVA officials and experts with respect to the power needs for the future, but let me point out, in fairness, that the denial of funds for the Fulton steam plan is based upon one reason only, namely, that the TVA has overestimated its future power demands.

Mr. President, I think President Eisenhower made an unfortunate, unwise statement when he referred to the TVA as "creeping socialism." Perhaps, though I do not know, he would prefer that he had not made that statement. I would prefer that he had not made it. But let the record show that, thus far, his acts toward TVA have been more generous than were his words. There is a large TVA budget now pending.

I want to discuss the subject from a business-like standpoint, just as the distinguished Senator from Kansas, a former great Governor of that great State, would approach the problem were he on the board of directors of an electric-utility company serving this area. Indeed, are we not, so to speak, on the board of directors? How would we approach the question if TVA were a private-utility system instead of a public one and we were representing the private stockholders?

I think we have a good example which I can cite. Mr. James M. Barry, to whom reference has already been made in the debate, is chairman of the executive committee of the Southern Co., a holding company holding several electric-utility systems. On page 287 of the hearings he said:

We are constantly seeking new customers on a sound business basis.

Let me repeat that, Mr. President. I appreciate the presence of the distinguished, able, and esteemed senior Senator from Virginia [Mr. BYRD], who is himself a very successful businessman. Let me quote to him with emphasis another successful businessman who is in the utility business. He said:

We are constantly seeking new customers on a sound business basis.

As a small-business man I can say the same thing. That is what businessmen do in Tennessee and every other State. But here is a big business, TVA, owned by the people whom we represent. How shall we measure its expansion? How shall we conduct its business, which is owned by the people whom we represent? By this yardstick—a businesslike basis? I have heard it said that we have a businessman national administration. I suggest that this businessman national administration and this Congress treat the problems of TVA, its electrical generation and distribution problems, in a businesslike manner. We ask no more; we ask no less, we, the people, served by the TVA.

In that respect, we are in no different position from that of the people served by any other electric utility system. As I said earlier in the debate, an electric

utility system is essentially monopolistic, whether privately owned or publicly owned. How and why is it that every State in the Union has a utility commission in some form? It is to regulate the competition of competing utilities, yes, but it is also intended to guarantee to people who are served by the utility systems that their legitimate needs will be served.

The TVA is not subject to the regulation of a State utility system. The people who are served by TVA submit to Congress their power needs, and, of course, they are hopeful that their growing demands will be met, just as the growing demands of people in other regions are met by an expansion of electric generating facilities.

The public debt of the Federal Government has assumed such vast proportions that its very existence acts to influence in large measure all activities in which the Government participates, and, indeed, our entire national economy. It is entirely proper that Congress, as well as the executive branch of the Government, should carefully consider the effect of any proposed expenditure upon the total of the public debt, which has now reached some 267 billions of dollars.

However, it seems to me, that there is a tendency on the part of the executive and legislative branches of the Government to oversimplify the net budgetary effect on the public debt which may result from specific appropriations.

When the Federal Government first came into existence, the scope of its fiscal activities was comparatively limited. It was found most practical for the Treasury to keep its books strictly on a cash basis. All moneys expended for whatever purpose were charged as expenditures during the fiscal year in which made. Likewise, all receipts of the Federal Government from whatever source were credited as receipts during the year in which they were received.

Today, despite the fact that the activities of our Federal Government have been so expanded as to involve the most complex fiscal transactions of any agency in the world, either public or private, we still follow basically the same accounting procedures. Our Federal budget is prepared so as to reflect total expenditures and total receipts during the particular accounting period or fiscal year. It is necessary to examine in detail the fine print in the prepared budget to determine which proposed expenditures are for normal operating expenses, as contrasted with expenditures that are made to promote projects of a more durable nature.

Private business long since has ceased keeping its accounts so as to reflect merely cash outlays and cash receipts. A careful distinction is made between operating expenditures, chargeable to the current accounting period, and capital outlays, the cost of which will be recovered or amortized over an extended period of time equal to the expected life of the particular asset being acquired. If a private business corporation during a fiscal year expends \$1 million to expand its plant, its owners certainly do not consider that they have lost money if

their profits during the year amount to only \$500,000, thereby creating a "cash" deficit of \$500,000.

Much has been said recently about operating the Federal Government on a businesslike basis. It was urged by members of the new administration when seeking office that such was one of their primary goals in the event the electorate provided them with the opportunity to do so. As a matter of fact, the present administration has been often referred to as "the business administration."

It seems to me that one of the first steps in placing our Government on a businesslike basis would be to institute such reforms in our accounting and budgetary practices as would be necessary to reflect more clearly and more accurately the present status of the Government with respect to fiscal matters and to reflect more clearly the actual results of each year's operations from a business point of view.

An analysis of Federal expenditures indicates that all such expenditures fall broadly into two general categories. The first category includes those expenditures which might appropriately be called the normal operating expenses of the Government. These include funds necessary to operate the executive, legislative, and judicial branches of the Government, the expenditures for national security, expenditures for the Veterans' Administration, interest on the public debt, and similar items.

It can easily be seen that expenditures in the foregoing category, particularly as they include the vast amounts expended for national security, constitute the bulk of the actual cash outlays made during the current period.

However, in addition to what might be called normal operating expenses, the Government annually expends substantial amounts to promote projects which are of a more permanent nature and which correspond to capital outlays by a private concern. Such capital outlays for the Federal Government may themselves be divided, roughly, into two groups. On the one hand, there are expenditures which are self-liquidating in the sense that the amount so expended will ultimately be returned directly to the Federal Government in dollars. These self-liquidating expenditures may properly be called an investment by the Federal Government in the strict sense of that word. First, I refer to investments in the nature of recoverable loans and investments in subsidiary corporations. Secondly, I refer to self-liquidating public projects such as hydroelectric dams, the cost of which is returned to the Federal Government, in whole or in part, over a period of years.

A second group of so-called capital outlays made by the Federal Government is comprised of expenditures made for the construction of public projects which have a more or less permanent value, but whose cost is not directly refunded to the Treasury. Examples of such expenditures are those made for the construction of public highways, for navigation and flood control, for public buildings, and for grants to public bodies. Such expenditures can be said to be in-

vestments only in the sense that they add to our national wealth in the broad sense of that term. It is true that such projects contribute to an increase in national income, which results in an indirect increase in the Government's revenue through taxation. However, they cannot be considered as an investment in the sense that the cost of such projects, after construction, are amortized by direct refund to the Federal Treasury.

As I have previously indicated, the Federal budget makes no clear distinction between the two broad categories referred to above. If total expenditures during any fiscal year exceed total receipts during any fiscal year, the budget is said to be unbalanced, regardless of the nature of the expenditures made and regardless of the source of the receipts. The result is known as "deficit financing."

The concept of a double budget for the Federal Government—an expenditure and an investment budget—has been suggested or advocated for a number of years. The idea was considered rather seriously during the administration of Woodrow Wilson. In his message accompanying the budget for the fiscal year 1940, President Roosevelt discussed the various types of Federal expenditures and presented figures indicating that portion of the then existing deficit which resulted from so-called capital expenditures, both those which were self-liquidating in character and those which were investments only in the sense that they contributed to the national wealth and were durable in nature. Both prior to and since that time, numerous articles have been published by accountants and students of government pointing out both the advantages and the disadvantages of such a concept of budget accounting.

The Government of Sweden during the 1930's inaugurated a double budget system by which all capital outlays including both those which were truly investments, as well as expenditures for other projects not directly self-liquidating, such as Government housing, are segregated into a "capital budget." All items in the capital budget are financed by borrowing. For those items in the capital budget which are not truly self-liquidating projects, an amount equal to a yearly amortization charge is included in the current or "operating" budget.

The Hoover Commission in its report on budgeting and accounting recommended that "the budget estimates of all operating departments and agencies of the Government should be divided into two primary categories—current operating expenditures and capital outlay."

These two types of expenditures—

Stated the Commission—

are essentially different in character and should, therefore, be shown separately under each major function or activity of the budget.

The budget as currently presented, does, within the separate segments thereof, indicate to some extent whether a proposed expenditure is for current operations or for capital outlay, but no

overall segregation on a Government-wide basis is clearly set forth.

I do not mean to suggest that a division of our budget into two or more categories will act to wipe out the public debt. Regardless of what system is used, any excess of expenditures over receipts must be financed by borrowing.

It does appear to me, however, that Congress could act much more intelligently in placing an overall limit upon Government expenditures if a clearer picture as to the nature of such proposed expenditures were presented. Perhaps some would be slower to pronounce the United States bankrupt.

Nor do I suggest or imply that the establishment of such a double budget does not present many problems. A major problem would involve the determination of what items should go into the operating budget and which should go into the capital budget. The Government of France has demonstrated that failure to control such distinctions rigidly, and failure to make allocations on a realistic basis, will only intensify the evils that a double budget system is designed to rectify. Indiscriminate inclusion of an item as a capital outlay merely because such an item could not be justified as a current expenditure is certainly fallacious. There is always a danger of an increased tendency to delay the "day of reckoning" by designating items as a capital expenditure when they should, in fact, be charged as a current operating expense.

I do suggest, however, that there would be many advantages incident to the establishment of a separate budget for items which are truly liquidating in character. Sums which are advanced by the Federal Government in the form of recoverable loans, as well as investments in subsidiary Government corporations, truly represent assets of the Federal Government, which can be liquidated for dollars to be refunded to the Federal Treasury. The same can be said for expenditures or investments in other Government projects such as those for the generation of electrical power and others, the cost of which will be restored in full by direct payment into the Federal Treasury.

If these items were segregated into what might be termed an "investment" budget, the total of such items included therein could stand on their own feet, so to speak. I believe TVA steam-generating plants should be so considered. Congress would be provided with a clearer picture of the truly business aspects of the TVA investment.

The subject is particularly applicable to the question before the Senate today. We are considering appropriations for the continued operation of the TVA. The entire amount made available to this agency could well be said to fall within the broad category of capital outlay in the sense that the expenditure of such sums will increase our national wealth and by increasing the level of economic activity of the people of my State and my region, will result indirectly in greater revenues for the Federal Government by various types of taxation. To carry the distinction further, how-

ever, and upon a somewhat more realistic basis, I should like to point out that that portion of the appropriation made available for the Tennessee Valley Authority which are allocated for power operations are entirely self-liquidating in nature and can rightfully be termed an investment in the true sense of that word. If not by this means, then by some other the TVA generating expansion must be considered as an investment instead of a current expenditure.

Some of those who oppose the appropriation of sufficient funds for the effective and economical operation of the TVA base their opposition on the ground that such expenditures should not properly be made by the Federal Government. I recognize the right of my colleagues to take such a position, nor do I doubt the sincerity of their views. I say in all seriousness, however, that the propriety of such expenditures is a matter that has previously been determined by this body.

On the other hand, many who oppose a realistic appropriation for the creation of an adequate power potential by the TVA base their opposition solely on the grounds that such expenditures cannot be made because funds may not be available therefor from current receipts of the Government. Such a philosophy and such a position ignore the fact that the people of the United States, whom we represent, do own a good, successful, profitable electric utility system. As has been said earlier, this came about by act of Congress. Then, in 1948, while I was serving on the House Committee on Appropriations, together with the distinguished senior Senator from South Dakota [Mr. CASE], who honors me with his attention, a provision was adopted by the subcommittee of which I was a member, and with my support became law over the opposition of many ardent TVA supporters, requiring the amortization of all TVA electric generating projects in 40 years.

The act of 1943 specifically requires that all funds appropriated for power operation for TVA be refunded to the Federal Treasury within this stated period of time. Evidence presented to the hearings indicates that the schedule of payments by the TVA has not only been met, but that it has been exceeded. The power operations of this agency have been profitable to the Government in the same sense that a private concern is profitable to its owners, when its revenues exceed its expenditures, plus a charge for amortization of its fiscal assets.

Let me point out that we stand in good comparison, because when the steam plants now under construction, and for which money is being appropriated in the bill before us, are amortized they will belong to the Government of the United States, to the people whom we represent—all the people. Though they are amortized in 40 years, their earning period of life is estimated to be from 100 to 200 years. Contrast that with the reclamation districts of the West, which I have always supported. In the case of the reclamation districts of the West, the amortization period is

40 years, but after the projects are amortized they belong to the people of the reclamation districts. Contrast that with the example of TVA.

Mr. KEFAUVER. Mr. President, will the Senator yield for a question?

Mr. GORE. I am glad to yield.

Mr. KEFAUVER. I was very much interested in the suggestion of the Senator that this should be treated as a capital investment, which in its entirety will be returned to the Government with good earnings. But will not the Government be gaining something else by making this capital investment? As a result of it will not the Government gain the income from the increased business which will be developed in the Tennessee Valley area, particularly in the Memphis area, whereas if the Government does not make the investment, there will be a depressed return by virtue of the fact that there will not be sufficient power for the farmers and for industry to carry on?

Mr. GORE. I agree with the implication of the question of my distinguished colleague from Tennessee. The answer is in the affirmative. The same can be said, however, for the construction of a bridge or for the construction of highways. I was trying to draw a clearer, sharper line of demarcation. Therefore I emphasized the self-liquidating character of this particular kind of investment. I agree with the Senator that, as the region develops, the whole country benefits. Were that not true, we would not have had an accelerating national income almost since the country began.

Mr. KEFAUVER. It is certainly not going to be healthy for the country as a whole to have an enforced power shortage on the people of the Tennessee Valley in 1956.

Mr. GORE. I agree with that statement and appreciate the contribution. If we, who represent here tonight the owners of this utility system, will treat this business operation in a businesslike way, and measure it by the yardstick of successful businessmen, we will supply generating capacity to meet the reasonable demands of the people who are our customers, the customers of this system, which is owned by the people whom we represent.

Mr. CASE. Mr. President, will the Senator yield?

Mr. GORE. I yield.

Mr. CASE. I should like to say that whatever the decision of the Senate may be as to the pending amendment relating to additional steam plants, the Senator from Tennessee is correct in saying that he took the leadership in seeing that the cost of such plants as were being appropriated for back in 1938 and immediately subsequent years was amortized. It certainly improved the standing of the whole Tennessee Valley project before the Congress.

However, I wish to point out, with respect to what the Senator said about reclamation projects in the West, that, while the irrigation projects generally do become the property of the districts, I do not believe the power projects in the

West become the property of the local districts. Most of the power projects, of course, are developed by the Army engineers, and there is a continuous sale feature in that connection. Nevertheless, the irrigation projects do become the property of the districts.

Mr. GORE. I appreciate the distinction pointed out by my able colleague. I intended to refer, and believe I did refer, specifically to reclamation districts. I hope no one will think that I intended criticism. I was trying to exemplify what I think is a sound business proposition with respect to TVA.

The TVA dams are a part of the hillsides and mountains themselves. They will stand for perhaps centuries. Today I was happy to see the Senate—and I appreciate the generous attitude of the able Senator in charge of the bill [Mr. SALTONSTALL]—restore resource-develop-

ment funds. Unless we prevent the soil from washing down from the hillsides, the reservoirs will be silted full, impairing these investments.

I should like to speak at greater length. Like my distinguished colleague, the senior Senator from Alabama [Mr. HILL], if I am given the subject of TVA I can play almost an unending tune. However, realizing the lateness of the hour, and not desiring to be repetitious, I should like to conclude my remarks by placing in the RECORD at this point a table to be found on page 37 of the House hearings, which shows how the TVA has met the requirements of amortization.

I ask unanimous consent to have the entire table printed in the RECORD at this point as a part of my remarks.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

SCHEDULE C-1.—*Repayment of investment in power program under provisions of the Government Corporations Appropriation Act, 1948*

Fiscal year	Minimum repayments required under 1948 law		1/30th of plant investment at end of previous year		Actual and budgeted payments ¹	
	Year	Total period	Year	Total period	Year	Total period
1948	\$10,500,000	\$10,500,000			\$10,500,000	\$10,500,000
1949	2,500,000	13,000,000	\$8,705,981	\$8,705,981	5,500,000	16,000,000
1950	2,500,000	15,500,000	8,705,981	17,411,962	5,500,000	21,500,000
1951	2,500,000	18,000,000	9,149,627	26,561,589	9,000,000	30,500,000
1952	2,500,000	20,500,000	9,733,970	36,295,559	12,000,000	42,500,000
1953	2,500,000	23,000,000	12,256,316	48,551,875	² 15,000,000	² 57,500,000
1954	2,500,000	25,500,000	³ 18,148,125	³ 66,700,000	² 20,000,000	² 77,500,000
1955		87,059,810				
1956		174,119,620				
1957		261,179,430				
1958		348,239,240				
1959		365,985,080				
1960		389,358,811				
1961		490,252,655				
1962		³ 725,925,000				
1963		³ 936,400,000				
1964		³ 1,319,500,000				
1965		³ 1,514,100,000				
1966		³ 1,640,000,000				
1967		³ 1,640,000,000				

¹ In addition to repayments under the provisions of the Government Corporations Appropriation Act, 1948, bond redemptions of \$8,572,500 and other repayments of \$15,059,019 were made prior to fiscal year 1948.

² Budgeted payments. In 1951 and 1952 budgeted payments were \$6,500,000 and \$9,000,000, respectively in all other years actual payments and budgeted payments were identical.

³ Estimated.

Mr. GORE. Mr. President, I appreciate the attention of the Senate at this late hour. The estimates of future need have already been inserted in the RECORD. I shall not cite them in detail.

We come as representatives of the people of that area, seeking no alms. We do not feel that we must come hat in hand to the floor of the United States Senate. We ask only that this business, which the people whom we represent own, be allowed to conduct its affairs in the same way as a privately owned utility system would treat its service area, by supplying the legitimate needs of the area, for which the users of the service will pay. We are paying. We are willing to pay power rates sufficiently high to repay every project built in that area. If the rates presently being charged are not sufficient to do that, I say, upon my responsibility as a representative of the 3½ million of those people, that we are willing to have rates set at such levels as to make the projects amortizable within the period. We believe that is the case now.

Mr. STENNIS. Mr. President, soon after I came to the Senate, in 1947, a vote was had on the question of starting

what was called the New Johnsonville steam plant in the Tennessee Valley Authority area and under the jurisdiction of TVA. There was a sincere difference of opinion on that question, and the bill was defeated by a close vote. A few months or perhaps a year afterward the bill came before the Senate again, and at that time it passed by a small vote. The plant was built.

Tonight, Mr. President, if the New Johnsonville steam plant were not in operation there would not be sufficient electricity to supply the atomic bomb and other defense plants and the other industries in that area. There would be an actual and substantial shortage of power in the Tennessee Valley area including 35 of the 82 counties of Mississippi, which are served by TVA.

It takes 3 years to build such a plant. Of course, a question of judgment is involved, a question of the judgment of the engineers and a question of our judgment, as to whether we had better go ahead and start the plant. The need is there, and there is no likelihood of its being decreased. In an expanding economy the great chances are that the need will be increased.

Since becoming a member of the Committee on Public Works I have been impressed with the fact that, although some areas, particularly the Columbia River Valley in the great Northwest, do not have any coal, gas, oil, or any of the other natural resources, they do have a power potential, which, when it is fully developed, will be 10 times that of the Tennessee Valley. The power developed in the entire Tennessee Valley will be only 10 percent of the power which the Columbia River Valley will be able to develop. The dams in that valley will be large, and very expensive to construct. It is beyond the reach of private enterprise to provide sufficient money to harness that vast power. I believe that in an orderly process it will be harnessed, and that the Federal Government, which already has expended a great deal of money on projects there, and which no doubt will expend much more, will ultimately find that it has made a splendid investment, and the money will be recouped.

The other area with which, as a member of the Committee on Public Works, I have been impressed is that of the Niagara River, a project for which will be before the committee beginning next week. We will have to make a choice. If I become convinced that the choice should be a bill providing for private enterprise alone to develop the power there, that is the bill for which I shall vote. If I become convinced, on the other hand, that the area is like that of the Columbia River Valley, and requires some State or Federal assistance, I shall vote for that kind of development.

My point is that some areas do require Federal development. The Tennessee Valley area is one of them, and with respect to it the decision has already been made, and operations have been under way for a considerable period. The private companies in 35 of the 82 counties of Mississippi have long since been bought out. So, in connection with the pending amendment, the question is whether we should now turn back.

I would say also that the steam plant provided for by the pending amendment is a normal development. Such a plant is something one would expect in fulfilling the needs of an area which it has already been decided would be developed in this manner.

I wish to mention one other point—an overall point which applies to every community in the United States—namely, that the important national value of TVA is its yardstick quality. It is the yardstick by which power rates can be determined. If we were to liquidate TVA or retard it, or if it should not function, everyone in the United States would lose a yardstick which has been beneficial to the consumers of electricity everywhere.

I believe it has been quite beneficial to the private power companies as well. I know it has been in my area. It has brought electricity rates down. The companies in my area are doing the finest business and they are making the most money they ever made in their history. I believe the TVA yardstick is one

of the major factors that have brought rates down and have put electricity in reach of many more people than ever before. We have very enterprising and alert private power companies in Mississippi, and I am proud of them. They go after business and they get business, and they manufacture electricity. So I have an opportunity to make comparisons.

So, as I have said, I believe the TVA project as a whole is of tremendous value throughout the entire Nation as a yardstick. I would like to see it become a little more accurate yardstick than it is today. I believe adjustments can be made. The Senator from Tennessee referred to one that is already being made through the bill which he introduced in the House.

So I come back, Mr. President to the proposition that the decision has already been made. If there is reasonable proof that the additional plant is needed, then it is just part of the overall policy with respect to a project which is very successful, and which is already in operation, to build the plant.

Mr. SPARKMAN. Mr. President, I will take only a few minutes. I had something to say in the course of the remarks made by other Members of the Senate during this afternoon's debate on the question; but I certainly do not want the debate to come to a close without my saying something in favor of the amendment and also making a plea, along with the plea made by other Senators representing the Tennessee Valley area, that we not be left stranded there with a shortage of power, which would prevent our enjoying a normal growth. That is all we ask for. I am sure that other Senators in the course of their remarks have had something to say with reference to the type of industry that has grown up in the South, particularly in the Tennessee Valley area.

It has not been a case of drawing any industry away from other sections of the country. We often hear it said that we have drawn New England industry into the Tennessee Valley. The statement has been made—and I have known of no one to contradict it successfully—that there has not been one New England textile plant located in the TVA area since 1931. In fact, I do not believe there has been a single textile plant located in the TVA area that has not been started anew since TVA has been serving that area. The industries which have been located there since TVA has begun to operate have been industries which have been indigenous to the area. Had it not been—and this point has been made before—for the fact that the Government has required such a great part of the power we would not have to be before Congress asking for the building of the steam plant provided for in the amendment of the Senator from Tennessee [Mr. KEFAUVER].

Earlier in the day I mentioned that one of the 150 distributors in the TVA area has had; and I referred to my home town of Huntsville, Ala. It was not until 1940 that Huntsville bought its electrical distribution system. Huntsville

was the headquarters of the Alabama Power Co. in northern Alabama. The Alabama Power Co. was very popular there. There was never any friction between it and the people, in connection with the acquisition of the properties. Our city bought its distribution system in 1940. There was a bond issue of \$1,750,000 for the acquisition of those properties. That bond issue had 20 years to run. It has just been paid off in full—in 13 years, 7 years less than the required time; and during that time the plant has been expanded to the extent of more than \$4 million of extensions and improvements, and during the same period there has been paid to the city, in lieu of taxes, more than \$500,000.

Furthermore, the customers have saved millions of dollars on their electric bills. I do not say that amount would necessarily have been saved on the basis of the present rates of the private power company, because, as the able Senator from Tennessee pointed out, the private companies have been able to reduce their rates because of the true yardstick that has been provided by the TVA. Mr. Lilienthal, in his book entitled "Democracy on the March," which was published a number of years ago, included a chapter devoted to that yardstick. He pointed out what a great many persons had misunderstood. He showed that the true yardstick was the demonstration of a fact that the power companies, before the time of TVA, were unwilling to admit, namely, that if the consumption of more power is made possible, more power is consumed, and therefore it is possible to lower the rates. That is the true yardstick that the TVA has demonstrated in that area.

So in the city of Huntsville, with a population of approximately 40,000, a saving of more than \$7 million has been brought about as a result of lower electric rates for the consumers, while at the same time it has been possible to expand the facilities in such a way as to provide service to almost every farm home in the county—so much so, that today 99 percent of the homes in all of Madison County are serviced by the distribution system of the city of Huntsville.

This afternoon I stated that the consumption of electric power in that area had reached the saturation point. Of course that is not literally true, for there is no saturation point in respect to the consumption of electric power. At first, the extension of electric power into an area may result in nothing more than the use of electricity for electric lights; but later there will be a substantial consumption of electric power for the operation of refrigerators, ironing machines, electric ranges, and many other conveniences; and later more electric power will be used for milking machines, feed grinders, and many other devices. So there is no saturation point in respect to the consumption of electric power; its use goes on.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD, as a part of my remarks, a statement published in the Huntsville Times on July 1, relating the success of the

Huntsville distribution system; and also an editorial pertaining to the same subject matter, published in the Huntsville Times on July 3.

There being no objection, the statement and editorial were ordered to be printed in the RECORD, as follows:

[From the Huntsville (Ala.) Times]

YOU ARE A PART OF THIS SUCCESS STORY—
READ IT

Yesterday the Huntsville electric system became free of indebtedness when a total of \$60,000, which was the balance due on outstanding notes, was paid at the three local banks. Two years ago, in July 1951, the final portion of the system's bonded debt, which was originally \$1,750,000, was retired.

This occasion marks an important milestone in the history of the local municipally owned electric utility which began on July 19, 1940, when the city of Huntsville purchased from Alabama Power Co. the electric distribution facilities serving Madison County and entered into a contract with Tennessee Valley Authority for the purchase of its supply of electricity.

At the time of the purchase of the system in 1940 approximately 5,800 customers were receiving electric service from a total of approximately 250 miles of distribution lines. Of this total less than 1,000 customers were located in the rural areas and service was available to only 15 percent of the rural homes in the county. Since the city of Huntsville acquired the utility, the facilities of the system have been steadily expanded until today service is available from a total of more than 1,200 miles of lines to practically every home, farm, business, and industry within the service area of the city's system. As of today more than 21,500 customers are actually being served from the system.

Not only has the original debt of \$1,750,000 been retired in full during the 13-year interval since acquisition (the bonds were issued to be paid in 20 years) but also all costs of expanding the system, amounting to more than \$4 million have been paid out of proceeds from the system's operations.

Moreover, a total sum in excess of \$500,000 has been paid into the general funds of the city of Huntsville from electric revenues as a payment in lieu of taxes to help defray the cost of local government. And finally, the electric consumers of Madison County, during the 13-year period of operation by the city of Huntsville, have saved a total estimated to be in excess of \$7 million on their electric bills, based upon rates for similar service in effect at the time of acquisition.

So far as is known, Madison County, Ala. is the first and only county in this area that enjoys complete area coverage of electric service from an electric distribution system that is entirely free of debt.

In making this report to you as customers and owners of the electric system, we should like to express our deep appreciation for the trust and confidence that you have placed in us and to thank you for your cooperation, patience, and generous patronage, without which this unique and outstanding record could not have been possible. You are truly an important part of this success story.

In looking to the future as a debt-free operation, we have high hopes that we may be able to hasten many long-needed improvements which will strengthen our services to you and enable us to fulfill our obligation to play our proper role in making Huntsville, and Madison County a prosperous growing community. We assure you that long-range plans are constantly being made, and revised as conditions make it necessary, to be ready at all times to meet the calls for electric service as they arise.

HUNTSVILLE ELECTRIC UTILITY BOARD.

[From the Huntsville (Ala.) Times of July 3, 1953]

FINE RECORD, VALUABLE PROPERTY

The history of the Huntsville electric system is something of a fairy story.

Starting from taw on July 1, 1940, it has paid for its entire cost, \$1,750,000, as well as more than \$4 million of extensions and improvements.

Instead of taking 20 years to do this, as the original setup provided, only 13 years were required.

In addition, payments in lieu of taxes to the city have been more than \$500,000.

Today the city has a property that is perhaps worth \$5 million, without a cent of indebtedness on it.

On top of that, the Huntsville electric system is, according to the power board, the first and only one in this area with country-wide coverage that is entirely free of debt.

From 5,800 customers 13 years ago, the system now has more than 21,500; in place of 250 miles of distribution lines, it has now more than 1,200 miles.

The grid of lines that serve Madison County is so close that practically every home, if not every home, is within a mile or less of electric service.

But there is other work ahead for the electric system. There are other improvements to be made that will strengthen and improve its services and a building to be erected that will house its operations. And in this new home, for which some plans have been made, it is to be hoped that an auditorium can be included, which will meet a great need here. It is not expedient for the city to build an auditorium separately. The Sheffield system set a precedent that might be followed in including an auditorium.

The ultimate fate of the TVA is uncertain. We fervently hope that it will be permitted to go on as it has in enrichment of the valley. But if the future holds otherwise, Huntsville and Madison County will have at least a magnificent distribution system that is highly valuable and without debt or obligation.

Mr. SPARKMAN. Mr. President, in order to give more information about the remarkable growth I have mentioned—not to take care of new industries, but to take care of the normal growth of the city of Huntsville and the surrounding area; and, of course, I use Huntsville only as an example—I now ask unanimous consent to have printed at this point in the RECORD, as a part of my remarks, an article which was published in the Huntsville Times of July 3. It gives information about the plans for the next year, including plans to spend \$420,000 for additions and improvements.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

CITY ELECTRIC SEES \$420,000 FOR EXTENSIONS—MOST OF REVENUE OVER EXPENSES TO BE SPENT TO STRENGTHEN SERVICE

The Huntsville Electric System expects to have \$420,000 left over for additions and improvements to the system during fiscal year 1953-54, after \$1,250,000 is spent for operating costs, \$96,000 paid in lieu of taxes, and \$150,000 set aside for the new building into which the organization hopes to move 4 years from now.

These in general are the principal points noted in the 1953-54 budget adopted yesterday by the electric utility board.

According to the budget figures, the board foresees another year of progress for the system despite the fact that residential construction here will be down greatly from the year which ended yesterday.

Sale of power is estimated to reach a total of 191,720,000 kilowatt-hours, as compared to

178 million last year, which will bring in revenue estimated at \$2 million, as compared to \$1,928,000 for fiscal 1952-53. Operating expenses also will be up during the new fiscal year—from \$1,355,000 to \$1,436,365, according to the budget.

This will leave the net income for the new year at \$592,435, as compared to the \$587,995 anticipated at the beginning of the last fiscal year. Fund requirements for this year will total \$287,800—\$137,800 for renewal and replacement, and \$150,000 in the building fund—which will cut the net revenue down to the \$420,000 that will be available for extensions and improvements.

This figure is some \$40,000 less than was available for such work during fiscal 1952-53. This is accounted for by the fact that last year's fund requirements totaled only \$236,000, and last year's payment in lieu of taxes amounted to only \$75,000, as compared to the estimated \$96,000 tax equivalent seen for the current year.

Out of the \$420,000 available for extensions and improvements this year, \$185,000 of the work was started last year, and work orders already have been issued for it. Included are purchase of a 2,000-kilowatt-ampere unit for the Wells Avenue substation, \$52,000; convert section of line on Harvest Road to 3-phase, \$4,000; purchase eight 500-kilovolt-ampere network transformers for downtown area, \$57,000; purchase three recording ammeters, \$500; purchase three 3,333-kilovolt-ampere units for Huntsville Manufacturing Co., \$41,000; contract labor and purchase of material for rural lines, \$30,500. These rural lines include half a mile west from Gurley on Highway 72, a mile and a half on Pulaski Pike, 14 miles on Merrill Mountain near Guntersville Dam.

New projects, estimated to cost \$235,000, will consist primarily of strengthening existing service, such as:

Improvements at West Huntsville substation to add a 4,500-kilovolt-ampere bank, \$31,000; rewind three 2,500-kilovolt-ampere transformers for use at the North Huntsville, 12,500-kilovolt substation, \$22,000; put up higher capacity line to Oakwood College and Schrimsher store on Athens Pike, \$18,000; rebuild 44,000-volt line from the central substation to the old North Huntsville substation, \$10,000; and many others such improvements in town and the rural areas as well.

Mr. SPARKMAN. Mr. President, today we have spoken of the tacit agreement as to the territory. Time after time we have referred to the fact that our area is a sort of island, which was set up by Congress, let it be remembered; it was agreed by Congress that the service to that area would come from the TVA. I think I have proof that the private power companies not only have respected that in the past, but are respecting it most carefully today. In the Huntsville Times of July 1 there appeared an article entitled "GE, Westinghouse Hit for TVA Plant Boycott." The significant part of the article is the map which accompanies it. The shaded area on the map shows the TVA area in Tennessee, Kentucky, Virginia, North Carolina, Georgia, Alabama, and Mississippi. It shows that General Electric and Westinghouse, great companies producing electric equipment—companies which, by the way, have sold hundreds of millions of dollars' worth, and perhaps billions of dollars' worth, of equipment to TVA and to the people in the TVA area—have established in the South, since TVA came into being, 12 or 15 plants; and it is significant that not one of those plants has been established in the TVA area. A

letter explaining that situation appeared; it showed that because those companies had such good customers among the private power companies which operate in the other territory, General Electric and Westinghouse felt compelled to locate their new plants in the territory of their private power customers, and away from the TVA area.

Mr. President, not only has the TVA territory been recognized in that way, but it has really been isolated, insofar as the use of electric power is concerned. Our area needs electric power, just as every other section of the Nation needs electric power. We have only one place to which to turn for electric power, and that is to Congress, which set up the island there. Our request is only for enough power to take care of our normal needs.

Mr. President, at this point I ask unanimous consent to have printed in the RECORD, in connection with my remarks, an article and an editorial, both dealing with this matter, which were published in the Huntsville Times.

There being no objection, the article and editorial were ordered to be printed in the RECORD, as follows:

[From the Huntsville (Ala.) Times of July 1, 1953]

GE, WESTINGHOUSE HIT FOR TVA PLANT BOYCOTT—NORTH MISSISSIPPI CO. CHARGES AREA RINGED WITH THEIR FACTORIES

NASHVILLE, TENN.—The North Mississippi Industrial Development Association has accused two of the Nation's largest electric equipment and appliance manufacturers of boycotting the TVA power area as a location for their plants, according to the Nashville Tennessean.

These companies, the Westinghouse Corp. and the General Electric Co., have refused to locate plants in the TVA service area, the association declared, because of pressure placed upon them by private power companies.

In substantiating these charges, the association displayed a map of the Southeast, showing the TVA ringed by plants of the two companies, exhibited correspondence and cited conversations with representatives of the companies.

Similar evidence also was produced by the Mayfield, Ky., electric power board.

Spokesmen for both companies have denied they have "deliberately avoided" locating plants in TVA's power service area. They also contended they have not been pressured by the power companies.

But Senator ESTES KEFAUVER and Representative ROBERT JONES, of north Alabama, said in Washington the charges are substantiated by evidence.

"Talking about luring or pressuring industry," JONES said, "they have ringed the area with 17 or 18 new plants costing \$100 million and employing 20,000 workers, all built, or being built, just outside the world's largest appliance market."

Senator KEFAUVER said:

"This is direct, conclusive evidence that TVA is not pirating any industry for the valley. We are developing our own. The pirates are the private power companies. They are forcing the two biggest beneficiaries of our billion-dollar appliance market to boycott our region economically."

The people of the TVA power service area have purchased more than a billion dollars worth of electric appliances in the past 7 years, according to TVA estimates. This makes the power service area the largest electric appliance market in the world.

Correspondence substantiating the charge that the two companies have avoided the

valley has been made public by several power distributors and the Mississippi group.

The Fantus Factory Locating Service, which in early 1952 represented Westinghouse as consulting industrial location engineers, wrote the Mayfield, Ky., Chamber of Commerce, February 1, 1952:

"With reference to your letter of January 29, I was under the impression that we had told you that we were forced to give up consideration of Mayfield, since our client instructed us to pass up any territory served by TVA. This is an unusual limitation and the first time we have come across it."

The general industrial agent of the Illinois Central Railroad wrote commenting upon the same plant:

"I think we have run into a snag that is going to be hard to get off. Westinghouse will not go into any territory exclusively served by TVA. This is due to the fact that they have a large business with privately owned power companies."

The same railroad official also wrote the Mayfield chamber:

"It seems to me, however, that the best way to handle this would be through the Fantus organization, since we are so tied in with TVA, GE, and Westinghouse that it would be pretty difficult for us to debate the subject with them."

"We can and will, of course, continue to work in the interest of Mayfield, but I think it would be wise for us to keep out of the public versus private power debate."

The Mississippi association listed the following new Westinghouse plants built to ring the TVA area in the last 10 years, all within 175 miles of the area's border:

Fairmont, W. Va., 1942, fluorescent lamps and tubing, 993 workers, cost \$6 million.

Owensboro, Ky., 1947, light globes, 251 workers, cost \$3 million.

Little Rock, Ark., 1948, light globes, 896 workers, cost \$4 million.

Richmond, Ky., 1948, miniature lamps, 482 workers, cost \$1 million.

Raleigh, N. C., 1952, meters, 2,500 workers, cost \$10 million.

Reform, Ala., 1952, photoflash lamps, 300 workers, cost \$1.5 million.

Vicksburg, Miss., 1952, lighting equipment, 500 to 800 workers, cost \$5 million.

Hot Springs, Ark., 1952, glass, 1,000 workers, cost \$6 million.

Montevallo, Ala., 1952, welding electrodes, 300 workers, cost \$3 million.

New General Electric plants within this "ring" were listed as:

Jackson, Miss., 1941, fluorescent lamps, 480 workers, cost \$4 million.

Goldsboro, N. C., lamp lead wires, 300 workers, cost \$1.5 million.

Lexington, Ky., two plants, both started in 1947; auto lights, 350 workers, cost \$2 million; glass plant, 100 workers, cost \$1 million.

Owensboro, Ky., 1947, receiving tubes, 4,775 workers, cost \$12 million.

Anniston, Ala., 1951, electronic tubes, 2,000 workers, cost \$6 million.

Louisville, Ky., 1951, jet engine parts and general appliances, eventually up to 16,000 workers, cost of first phases, \$14 million.

Asheboro, N. C., 1952, electric blankets, 300 workers, \$1 million.

Rome, Ga., 1952, transformers, 1,700 workers, \$15 million.

[From the Huntsville (Ala.) Times of July 1, 1953]

NO GENERAL ELECTRIC, WESTINGHOUSE PLANTS

The picture and news story on page 3 gives pretty conclusive evidence that the Nation's two largest electric manufacturers, General Electric and Westinghouse, have given the TVA area a pretty wide berth in locating new plants in the South.

At the same time, they are estimated to have sold to the TVA electrical equipment for its dams, and to TVA area residents for

domestic usage, more than a billion dollars worth of their products.

The charge is that private power companies applied heavy pressure to these two companies to stay out of the TVA area with their new plants, although it would have been convenient for them to locate here. Such pressure from all the private power companies could have been very strong and very powerful.

There is concrete evidence that this coercion was applied. The general industrial agent of the Illinois Central Railroad wrote the Mayfield (Ky.) Chamber of Commerce that he could not get a Westinghouse plant located there. In part, he wrote on January 9, 1952:

"I think we have run into a snag that is going to be hard to get off. Westinghouse will not go into any territory exclusively served by TVA. This is due to the fact that they have a large business with privately owned power companies."

And the Fantus Factory Locating Service, employed by Westinghouse to assist in finding a good site for a plant, wrote the president of the Mayfield Chamber of Commerce on February 1, 1952:

"With reference to your letter of January 29, I was under the impression we had told you that we were forced to give up consideration of Mayfield, since our client instructed us to pass up any territory served by TVA. This is an unusual limitation, and the first time we have come across it. Naturally, however, we are forced to observe our client's wishes in this matter."

The attitude of Charles E. Wilson, former president of the General Electric Co., toward TVA is publicly known. Months ago, he made a public statement in which he advocated its dismemberment and sale to the private power companies.

But the map of the TVA territory, and the ring of General Electric and Westinghouse plants that have been built in recent years in the contiguous areas of several Southern States, speak louder than any words. While they were delighted to get TVA's and TVA power consumers' business, to the tune of more than a billion dollars, they kept their plants, which costs hundreds of millions of dollars, and which employed tens of thousands of men and women, out of one of their most profitable markets.

The inference is very clear that private power companies in other States, fighting the TVA and its cheap power program, put on the pressure not to help it, or the people it serves, by locating any of their factories in this area.

Mr. SPARKMAN. Mr. President, about 10 days or 2 weeks ago the Washington Post published a most interesting, fine, and objectively written article entitled "TVA Has Salvaged a Whole Region in Two Decades." I ask unanimous consent to have the article printed at this point in the RECORD, as a part of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post of June 28, 1953]

TVA HAS SALVAGED A WHOLE REGION IN TWO DECADES

(By Aubrey Graves)

Into Washington with Franklin D. Roosevelt just 20 years ago came a group of brilliant men, both young and old, with brave plans for remaking America. The gloom and lethargy of depression, which had descended suddenly in 1929, still lingered. The time was made to order for bold men with a blueprint.

Appropriating a dream long cherished by white-thatched Senator George W. Norris, they set out to transform the wide and back-

ward Tennessee Valley into an economic Eden.

This they proposed to do by developing the Government-owned plants at Muscle Shoals, Ala., by flood-control measures, by improving river transportation, and by developing cheap electric power.

The new President, preaching his gospel of nothing to fear except fear itself, gave his leadership to the far-reaching adventure. He called for the formation of an independent corporation "clothed with the powers of government but possessed of the flexibility and initiative of a private enterprise."

House and Senate Members, flushed with the excitement of riding the Roosevelt coat-tails to victory, speeded through a bill carrying the sponsorship of Senator Norris (Republican, Nebraska) and Representative Lister Hill (Democrat, Alabama). So fanatical was acceptance of the new religion that many Congressmen started refusing even to dine with the utilities lobbyists.

REBIRTH OF A BADLANDS

The Tennessee Valley Authority, which was to be assailed by its critics as "creeping socialism" and upheld by its protagonists as "democracy on the march," was born that May. Dam building started in October.

In 1933 the Tennessee Valley area, including parts of seven States, was a major economic problem in a land of general depression. Its rivers were undeveloped; its hardwood had been overcut and largely burned. Fires against which there was little protection had ravaged the forests, which occupied 54.4 percent of the area. An annual rainfall of 52 inches in a land of row crops had eroded the soil and drained it of plant food. The valley people subsisted on a per capita income of 40 percent of the national average.

Only 3 farms in each 100 had electricity. Considered against this background, the most apologetic TVA opponents are obliged to admit that the Tennessee River and its tributaries have become valuable servants of the region and the Nation.

Floods are being controlled; the timber resources of the area are increasingly better managed and the soil is being revitalized. Electricity is available at less than one-half the national rate, and per capita income of the people has increased to 59 percent of the national average.

POWER WAS INCIDENTAL

Contrary to popular conception, the development of hydroelectric power was not the prime purpose of the TVA Act. Given top priority was flood control. The second objective was promotion of navigation. Power was to be generated only so far as was consistent with the first two objectives.

Two decades ago the region was subject to devastating floods. The Tennessee River, less than 2 feet deep at certain seasons, at other times became a raging torrent. Farmlands and homes had little protection. Property damage and number of lives lost ran high, and the disruption of families was annual and enormous.

Today the integrated system of 30 dams which controls the system's flow provides 12 million acre-feet of flood storage. From the beginning of the flood season in late December until its end in late March, the water level of the reservoir is kept low.

Flood protection benefits extend into the lower Ohio and Mississippi Valleys. All water from the Tennessee River can be held back for several days. In the event of a major flood on the lower Ohio, the TVA dams can reduce flood heights by at least 2 feet between Cairo, Ill., and the mouth of the Arkansas River. This actually happened in 1950 and saved thousands of acres along the lower Mississippi from flooding.

ELEVEN MILLION ANNUAL SAVING

Since 1936, when Norris Dam started operating, 21 floods which would have exceeded flood stage have been lowered by res-

ervoir operation. The fifth, sixth, and seventh largest floods of record (those of 1946, 1947, and 1948) were controlled to the point where damages were small.

It is estimated that Chattanooga, alone, has been saved from \$45 million damage since 1936. The total estimated savings from floods which have kept from developing run to \$11 million a year. These estimates are TVA's.

Prior to 1933, the Tennessee River was not a dependable waterway. The limiting channel from Paducah, Ky., to Wilson Dam in Alabama was 4 feet. It was still shallower from Decatur to Chattanooga to Knoxville. TVA has created a chain of lakes which provide a channel throughout the 650-mile length of the river that will carry boats and barges drawing 9 feet of water.

In 1933, traffic on the river amounted to 33 million ton-miles a year (mostly sand and gravel dredged from one point on the river and delivered to another.) Now traffic is running at the rate of 800 million ton-miles a year and most of this is high value cargo coming from or going to points outside the valley. Grain for both dairy and beef cattle comes in from the Midwest; oil and other petroleum products from Louisiana; sulfur from Texas.

One of the most interesting sights in the river traffic is the movement of autos from Detroit, by way of Evansville, down the Ohio and into the Tennessee River. They come down in triple-decked barges, 300 autos to a barge. Landed at Guntersville, Ala., they are distributed throughout the Southeast.

The power business of TVA is paying its own way. During fiscal 1952 power operations earned \$26 million—a return of 4.7 percent. For the past 5 years, earnings have averaged 5 percent.

Nine out of ten farms in the TVA area today are supplied with electricity. One and one-quarter million consumers of TVA power are using more than twice the number of kilowatt-hours per capita as are used by the Nation as a whole, at a cost of less than half the average national rate. TVA customers pay an average of 1.33 cents a kilowatt-hour; the average for the Nation is 2.77 cents.

Nearly \$900 million worth of electrical appliances have been bought in the region during the past 5 years.

There are refrigerators and ranges in the kitchen. Water is carried by an electric pump instead of by the women, young and old, with the once familiar water buckets. In the barns are hay driers, small motors to grind feed, cut wood, turn small lathes. Power is curing hams, and cooling milk.

The Atomic Energy Commission at Oak Ridge, Tenn., is taking an enormous amount of power and TVA is building a large steam plant near Paducah, Ky., to supply electricity to the AEC plant under construction in that vicinity.

By 1956, TVA expects to be supplying 3.4 million kilowatts of power to Federal agencies in the region and AEC alone will use 25 billion kilowatt-hours of electricity a year.

Power is needed in increasing quantities by the region's industry. In 20 years the number of manufacturing establishments has increased by 1900 (or 35 percent).

To get the additional power needed for the expanding valley economy, TVA is building seven large steam plants. The House has just turned down a request for funds to start an eighth one, a request made by the Truman administration but not included in President Eisenhower's budget.

TVA engineers say no further large increments of power can be obtained from them until major dams have been completed. Any substantial additional blocks must come from steam plants.

Officials of TVA say that, however controversial the question of public power may be, the fact remains that the consumers in the valley are paying the entire cost of their bargain electricity, including repayment to the Government over a 40-year pe-

riod of Federal funds invested in the power part of TVA.

A fourth function of TVA is development of the area's agricultural and recreational resources. The two nitrate plants built during World War I at Muscle Shoals are now producing fertilizer. They are operated as a national laboratory to develop new and concentrated fertilizers and the processes for producing them, which are available to all manufacturers.

Recreation is a major business in the valley area, with 10,000 miles of lakeshore. The tourist trade is booming. TVA built five demonstration parks on the lake in cooperation with the Civilian Conservation Corps and the National Park Service. Today there are 12 State parks and 40 local and country parks in the area.

Through TVA action, the incidence of malaria in the area, once as high as 30 percent, has been ended.

The total cost of TVA to June 30, 1953, will be just under \$1.4 billion.

Mr. SPARKMAN. Mr. President, in conclusion, let me say that we are not asking for anything that will be of detriment to any other part of the country. We are paying the bill for these installations. As the distinguished junior Senator from Tennessee pointed out a few moments ago, we are paying the bill for the installations, and we are making payments to the Federal Government faster than we were supposed to make them.

The other day there occurred a colloquy on the floor of the Senate, between the able Senator from Illinois [Mr. DOUGLAS] and the able Senator from Colorado [Mr. MILLIKIN] over the question of reclamation, when the Senator from Illinois brought up the question of the interest payments. He made a powerful defense of this kind of program; he said it was multiplying our resources and was multiplying our wealth and was multiplying the revenues of the Federal Government over and over.

Certainly, Mr. President, the same is true of, and the same thing applies to, the TVA. Not only is it making wealth for the Government of the United States; not only is it paying back the cost to the United States even ahead of time; but I may say also, in all fairness, Mr. President, we are entitled to consideration as to our power needs, because it was the Congress that set aside the area and said it should be supplied by the TVA. We are looking merely for the supply of power to which we are entitled, in order that we may enjoy the same degree of normal growth that every community and every section of the country is entitled to.

Mr. SALTONSTALL. Mr. President, I shall not delay the Senate, because I know Senators are anxious to vote. I would merely say, on behalf of the committee, that I have listened with interest to Senators who have advocated the amendment, the adoption of which would start construction of the Fulton steam plant this year. The construction of that plant would call for the expenditure of \$30 million this year, with an ultimate cost of \$90 million.

The committee did not take the position that the Fulton plant should never be built; it simply took the position that the estimate showed that there was sufficient power within the TVA area to take care of the needs of the Government, to take care of the needs of industry, and

also to take care of the gradual growth during the years 1954, 1955, and 1956. It was also shown that it would take 2 years to construct the Fulton steam plant and that it could not begin operations until 1956; so there would be ample time to look into the situation again next year to decide whether it was necessary. We would then be that much closer to the estimates which were given to us for 1956 and 1957. We would know what the estimates were for 1953 and 1954. For that reason the committee followed the recommendation of the Budget Director in omitting the item. It also followed the House, which likewise omitted it, and the statement in the report of the committee that it should not be included in this year's budget.

For those reasons I hope that Senators, if they are interested, will examine the Senate committee hearings on the bill.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point in my remarks a letter dated July 9, 1953, from Joseph M. Dodge, Director of the Bureau of the Budget. The letter shows a surplus of power requirements in 1956.

I should also like to have printed in the RECORD at this point as part of my remarks the statement of the Defense Electric Power Administration, which shows the load based on the Truman budget and based on the revised fiscal budget. This shows, in millions of watts, a surplus of power requirements in 1952.

I should also like to have printed in the RECORD at this point in my remarks the estimate, in kilowatts, of the TVA power system's capacity, which shows the building up year by year of the new plant, with the total in 1956 of hydro-power of 2,739,900 kilowatts, and of steam power a total of 6,741,550 kilowatts. Those figures include the Fulton steam plant.

The PRESIDING OFFICER. Is there objection?

There being no objection, the letter, statement, and estimate were ordered to be printed in the RECORD, as follows:

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington D. C., July 9, 1953.

HON. LEVERETT SALTONSTALL,
Chairman, Subcommittee on Independent Offices, United States Senate Committee on Appropriations,
Washington, D. C.

MY DEAR MR. CHAIRMAN: Governor Adams has asked us to furnish the information requested by you today concerning the prospective power needs in the Tennessee Valley Authority area. It is understood that you desire this information for use in connection with consideration of the Second Independent Offices Appropriation Act, 1954, and are particularly interested in the reason for the administration's decision not to include in the revised 1954 budget an estimate of appropriation for \$30 million to initiate construction of a steam power plant at Fulton, Tenn.

In the preparation of the revised budget the need to provide additional generating facilities to meet the increasing power loads in the Tennessee Valley Authority power area was recognized. An analysis of all available information disclosed that continuation of work on the 35 units now under construction, as well as 1 additional unit at Kingston and 1 at John Sevier, would provide for reasonable growth in power loads of the area through calendar year 1956, including re-

quirements for national defense and other industries, and for municipalities and co-operatives. In addition, provision was made for appropriate operating reserves.

In view of the overall budget situation confronting this administration it was not possible at this time to include funds in the Tennessee Valley Authority budget for all possible contingencies which might occur in future years.

For the reasons stated above, initiation of construction of a steam powerplant at Fulton in fiscal year 1954 does not appear to be justified. However, the estimates of power requirements in the Tennessee Valley Authority area will again be reviewed in connection with the preparation of the budget for fiscal year 1955. Appropriate action will be taken on the basis of the information then available regarding future power requirements.

We hope that this information will meet your needs.

Sincerely yours,

JOSEPH M. DODGE, Director.

[Included in House debate on TVA on June 17, 1953]

[In millions of watts]

Year	Estimated loads		Margin of capability above loads, based on—			
	DEPA ¹	TVA	DEPA load estimate	TVA load estimate	DEPA load estimate	TVA load estimate
			Under Truman fiscal year 1954 budget		Under revised fiscal year 1954 budget	
1952	4,430	² 4,121	—48	271	Same	
1953	5,452	5,450	463	465	Same	
1954	7,406	7,900	558	64	Same	
1955	8,194	8,500	1,802	1,097	1,716	1,010
1956	8,654	9,600	2,337	1,391	1,837	891

¹ DEPA states that the load estimates shown, made in March 1953, have been concurred in by representatives of the following agencies: Office of Defense Mobilization, Federal Power Commission, Munitions Board, and Defense Electric Power Administration.

² Actual.

TVA power system capacity in kilowatts

	TVA hydro	Cumberland hydro	Alcoa hydro	Total hydro	TVA steam	Total
In Service June 30, 1953	2,472,400	441,000	351,935	3,265,335	1,836,550	5,101,885
1953 scheduled capacity additions (by months):						
August—160,000 kilowatts:						
Shawnee No. 3					135,000	
Boone No. 3	25,000					
September—18,000 kilowatts: Dale Hollow No. 3		18,000				
October—174,000 kilowatts:						
Bear Creek			9,000			
Shawnee No. 4					135,000	
Cherokee No. 4	30,000					
November—220,500 kilowatts:						
Fort Patrick Henry No. 1	18,000					
Fontana No. 3	67,500					
Kingston No. 1					135,000	
December—135,000 kilowatts: Kingston No. 2					135,000	
Total at Dec. 31, 1953	2,612,900	459,000	360,935	3,432,835	2,376,550	5,809,385
1954 scheduled capacity additions (by months):						
January—18,000 kilowatts: Fort Patrick Henry, No. 2	18,000					
March—135,000 kilowatts: Kingston No. 3					135,000	
April—135,000 kilowatts: Kingston No. 4					135,000	
May—138,500 kilowatts:						
Douglas No. 4	26,000					
Widows Creek No. 5					112,500	
July—112,500 kilowatts: Widows Creek No. 6					112,500	
August—135,000 kilowatts: Shawnee No. 5					135,000	
September—325,000 kilowatts:						
Tennessee Creek			10,000			
Kingston No. 5					180,000	
Shawnee No. 6					135,000	
October—370,000 kilowatts:						
Colbert No. 1					180,000	
Chatuge	10,000					
Kingston No. 6					180,000	
November—135,000 kilowatts: Shawnee No. 7					135,000	
December—495,000 kilowatts:						
Colbert No. 2					180,000	
Kingston No. 7					180,000	
Shawnee No. 8					135,000	
Total at Dec. 31, 1954	2,666,900	459,000	370,935	3,496,835	4,311,550	7,808,385
1955 scheduled capacity additions (by months):						
February—315,000 kilowatts:						
Shawnee No. 9					135,000	
Kingston No. 8					180,000	
March—180,000 kilowatts: Colbert No. 3					180,000	
April—135,000 kilowatts: Shawnee No. 10					135,000	
May—180,000 kilowatts: Colbert No. 4					180,000	
June—180,000 kilowatts: John Sevier No. 1					180,000	
September—180,000 kilowatts: John Sevier No. 2					180,000	
October—73,000 kilowatts:						
Hivasssee No. 2	58,000					
Nottely	15,000					
November—405,000 kilowatts:						
Gallatin No. 1					225,000	
Kingston No. 9					180,000	
Total at Dec. 31, 1955	2,739,900	¹ 459,000	370,935	¹ 3,569,835	5,886,550	¹ 9,456,385
1956 scheduled capacity additions (by months):						
January—225,000 kilowatts: Gallatin No. 2					225,000	
Subtotal at Jan. 31, 1956	2,739,900	¹ 459,000	370,935	¹ 3,569,835	6,111,550	¹ 9,681,385
March—50,000 kilowatts:						
Old Hickory No. 1		25,000				
Old Hickory No. 2		25,000				

Footnotes at end of table.

TVA power system capacity in kilowatts—Continued

	TVA hydro	Cumberland hydro	Alcoa hydro	Total hydro	TVA steam	Total
1956 scheduled capacity additions (by months)—Continued						
May—192,000 kilowatts:						
John Sevier No. 3.....					180,000	
Cheatham No. 1 ¹		12,000				
July—25,000 kilowatts:						
Old Hickory No. 3 ¹		25,000				
September—237,000 kilowatts:						
Cheatham No. 2.....		12,000				
Fulton No. 1.....					225,000	
November—225,000 kilowatts:						
Fulton No. 2.....					225,000	
Total at Dec. 31, 1956.....	2,739,900	558,000	370,935	3,668,835	6,741,550	10,410,385
Cheatham No. 3 ²		12,000				
Old Hickory No. 4 ²		25,000				
Total.....	2,739,900	595,000	370,935	3,705,835	6,741,550	10,447,385

¹ 87,000 kilowatts of Cumberland capacity was originally scheduled for 1955; is now delayed to 1956 under the revised Corps of Engineers budget.

² 37,000 kilowatts of Cumberland capacity was originally scheduled for 1956; is now delayed beyond 1956 in revised Corps of Engineers budget.

Mr. SALTONSTALL. Mr. President, I hope the Senate will follow the recommendations of the full Committee on Appropriations in rejecting an amendment that would start the Fulton steam plant in the TVA system this year.

Mr. KEFAUVER. Mr. President, will the Senator yield for a question?

Mr. SALTONSTALL. I yield to the Senator from Tennessee.

Mr. KEFAUVER. I followed the hearings in the House committee and also in the Senate committee very carefully, and every statement I have heard as to the length of time that would be required to build the steam plant was to the effect that it would require 3 years. The Senator stated it would require 2 years. I wonder whether the Senator was mistaken.

Mr. SALTONSTALL. It is possible that I was in error. It would come into use in September 1956, which would be 2 years and a half.

Mr. KEFAUVER. In order to come into use by that time it would have to be started this summer.

Mr. SALTONSTALL. Yes. I may say to the Senator there is a conflict in the estimates of the cost of power, but, according to the best estimate we could obtain, those of the Electric Power Association, under the Eisenhower budget, without building the steam plant, there will still be a surplus of power in 1956. In addition to that, there are power companies that are willing to participate. No contract basis was given, but they are willing to supply a power deficiency. They could add approximately 400,000 kilowatts of additional power, whereas the Fulton steam plant would add 450,000 kilowatts. So, on every basis I can conceive, although admitting that there is a conflict in the testimony, it is possible to have another look—see a year from now without stopping industrial development of the governmental development of atomic energy in the TVA area in the calendar years 1953, 1954, 1955, and 1956.

Mr. KEFAUVER. I assume the Senator wants the TVA to make enough power to supply the TVA area. That is the attitude of the Senator from Massachusetts, is it not?

Mr. SALTONSTALL. No; it is not the attitude of the Senator from Massachusetts. The Senator from Massachusetts

believes that there should be adequate power to provide for the growth of industries and of governmental activities in the area. What I tried to emphasize—and I will emphasize it again—is that—

Mr. KEFAUVER. Mr. President, if the Senator will yield—

Mr. SALTONSTALL. Let me conclude, because it is very important. I have tried to emphasize again that there is sufficient power, so far as I can see, to take care of the needs until 1956 and until the calendar year 1957. In the meantime, we can study the matter, and if we start the plant next year, it will be put into use in time to take care of the industrial growth. In the meantime, the Atomic Energy Commission, through Mr. Dean, the Chairman, has itself said that it believes the Commission will be using less power in 1956 than it is using today.

Mr. KEFAUVER. Mr. President, if the Senator from Massachusetts will yield further, I fear he did not understand my question. My question was whether the Senator, as chairman of the subcommittee, wants TVA to produce sufficient power to supply defense needs as well as the industrial, farm, and home needs of the Tennessee Valley.

Mr. SALTONSTALL. Absolutely, along with the private companies that can come in. If proper contracts cannot be obtained from private companies, that will be another matter. But there was plenty of testimony before us that that would not be the case. Mr. Wilson, of the Mississippi Power & Light Co., stated that they would make a short-term contract or a long-term contract, if they were given the opportunity.

Mr. KEFAUVER. Was the Senator not impressed with the accuracy of the TVA's estimate that their power needs are as set forth in hearings?

Mr. SALTONSTALL. As I remember, the estimates of the TVA's power needs, over the years have shown that they were overestimated between 1941 and 1953, except for 3 years, when they were underestimated. They overestimated them eight times, and underestimated them three times. I think I am correct.

Mr. KEFAUVER. If the Senator will look at the record on the 3-year basis, I think he will find that on each occasion the TVA has underestimated its need for power.

Mr. SALTONSTALL. I would be glad to find that again. I saw the record a little while ago, but now in trying to find it quickly, I cannot seem to put my finger on it. With the permission of the Senator from Tennessee, I shall be glad to place in the RECORD the 10-year record, and I ask unanimous consent that it may be included in the RECORD at this point in my remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

IV. STATEMENT REGARDING TVA'S ESTIMATES OF POWER DEMANDS

In each of the last several years TVA has presented to the Congress its estimates of power demands to be expected 3 to 4 years in the future. The following table shows these estimates, which were presented when new capacity for the year in question was first under discussion.

Shown in the table for comparison with the estimates are the demands which have actually developed to date:

[Millions of kilowatts]

Year	Estimated demand	Actual demand
1950.....	2.7	3.2
1951.....	2.9	3.8
1952.....	3.5	4.2
1953.....	4.4	
1954.....	6.1	
1955.....	7.1	
1956.....	9.6	

In each case the demands that have developed exceeded the original long-range estimates. It is already as nearly certain as such matters can be that demands developing for the next 2 years will also exceed the estimates.

Forecasts made as far in advance are not a matter of record for the years before 1950, but a review of 2-year forecasts reported by TVA to the Federal Power Commission provide the following additional information:

[Millions of kilowatts]

Year	Estimates by TVA 2 years in advance	Actual demand
1947.....	1.8	2.2
1948.....	2.2	2.5
1949.....	2.5	2.7

The reason for the demands exceeding the long-range estimates is the development of more new loads—often of a vital defense character—than can be foreseen as far in ad-

vance as it is necessary to plan new power capacity for orderly, economical construction. Experience shows that for adequate service and in the interests of national security, some margin of capacity over estimated demands should be provided.

The House Committee on Appropriations has expressed the opinion that TVA has been overestimating demands and that demands in 1956 are therefore likely to fall far short of TVA's estimate. This opinion was not based on a study of the comparable previous long-range estimates which are tabulated above. Instead, it was based upon a review of short-range (1-year) forecasts, using figures obtained from the Federal Power Commission which, unfortunately, were not accurate and not correctly interpreted.

The 1-year forecasts have little bearing on the planning of new capacity, but are tabulated below, with the actual demands, because of the reference to such estimates by the House Committee on Appropriations.¹

[Millions of kilowatts]

Year	Estimate by TVA 1 year in advance	Actual demand	Load as curtailed
1941-----	0.7	0.8	0.8
1942-----	1.6	1.4	1.4
1943-----	1.8	1.5	1.5
1944-----	1.8	1.6	1.6
1945-----	1.7	1.8	1.8
1946-----	1.7	2.0	2.0
1947-----	2.1	2.2	2.1
1948-----	2.3	2.5	2.4
1949-----	2.7	2.7	2.3
1950-----	2.9	3.2	3.0
1951-----	4.0	3.8	3.7
1952-----	4.9	4.2	4.1

It will be seen that, in fact, these short-range estimates, which are made after there is knowledge of most newly developing loads, have been too low or too high about equally often, as might be expected.

The actual demands for each year are shown in the table in the column following the estimate. Actual demands are rarely exactly in the amount anticipated in even shorter-range forecasts, for they are subject to uncertainties of weather, industrial conditions (including strikes, etc.), and other variable factors. Part of the necessity for a margin of capacity over estimated demands lies in the unpredictability of such factors.

When there is not ample capacity, it may not be possible to meet demands. Then loads must be curtailed. This is most readily done by the exercise of rights of curtailment reserved in contracts with the larger industrial consumers. Sometimes more drastic measures, with even more serious consequences, are necessary. There has been some curtailment of loads on the TVA system in recent years because capacity was too limited to supply all demands on a normal basis. The loads supplied after curtailment are shown in the last column of the table. These loads, which are less than the power demands by the amount of curtailment, were erroneously compared with the estimated demands in the records of the House hearings.

In summary, actual demands have exceeded TVA's short-range estimates at least as often as they have fallen short of such estimates; actual demands have consistently exceeded TVA's long-range estimates presented to the Congress in support of new generating capacity.

TENNESSEE VALLEY AUTHORITY,
June 20, 1953.

The PRESIDING OFFICER. The question is on agreeing to the amend-

ment offered by the Senator from Tennessee [Mr. KEFAUVER] for himself and other Senators.

The amendment was rejected.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be offered, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill (H. R. 5690) was read the third time, and passed.

Mr. SALTONSTALL. I move that the Senate insist on its amendments, request a conference with the House thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. SALTONSTALL, Mr. BRIDGES, Mr. FERGUSON, Mr. CORDON, Mr. HICKENLOOPER, Mr. MAYBANK, Mr. HILL, and Mr. ELLENDER conferees on the part of the Senate.

CHRISTIAN FAITH AS A BULWARK AGAINST COMMUNISM

Mr. BYRD. Mr. President, I ask unanimous consent to have printed in the body of the RECORD at this point a statement which I have prepared.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR BYRD

The chief bulwark in the world today against communism is the Christian faith as represented by our spiritual leaders. To undermine the confidence and faith of our people in these spiritual leaders will impair our most virile and effective force for preservation of Christianity and combating communism and all the evils this ideology stands for.

When the final showdown comes between communism and democracy, the unity and strength of the Christian leaders may well be the determining factor. For this reason, the blanket charge made by J. B. Matthews, the former staff director of a Senate subcommittee against the Protestant clergymen, whom he charged were "the largest single group supporting the Communist apparatus," and the further statement that "some 7,000 Protestant clergymen have been drawn during the past 17 years into the network of the Kremlin's conspiracy," are of importance, considering the position Mr. Matthews occupied until his resignation yesterday.

Thus, Mr. Matthews not only charges that large number of Protestant clergymen are Communists but also that at least 7,000 of them are traitors to America, in that they are in the network of the Kremlin conspiracy. Nothing that could happen would please the Kremlin more than to destroy the faith of America in its religious leaders. Such a mass indictment tends to destroy that faith.

Mr. Matthews should give names and facts to sustain his charge or stand convicted as a cheap demagog, willing to blacken the character of his fellow Americans for his own notoriety and personal gain. If he cannot name all the 7,000 he claims are guilty and the proof thereof, then let him name whom he can.

No man in public life stands more firmly than I do in my desire to oppose communism and to oust all Communists from Government activities, but I regard such irresponsible attacks on religious leaders as going very far afield. It endangers the unity we

must have to meet our problems in the dark days that may be ahead.

PROTECTION OF SMALL BUSINESS— EXTENSION OF DEFENSE PRODUCTION ACT

Mr. CLEMENTS. Mr. President, the Senate recently rejected the original conference report extending the duration of the provisions of the Defense Production Act. The action in refusing to accept this conference report was based on the inclusion of a proposal in the Defense Production Act extension which, if enacted into law, would have scuttled efforts made to give small business a fair chance in the American economy.

The decision of the majority of the Senate in refusing to accept the conference report has been seized upon by partisan critics to condemn and misrepresent the record and activities of some Members of the Congress. Strange as it may seem, this criticism and misrepresentation has been leveled against some of the best friends of small-business enterprise. The reasons for opposition to the report of the conference committee, which would have established a Small Business Administration under the Department of Commerce, were well outlined in the Senate and House debates. Likewise, the National Federation of Independent Business vigorously opposed the establishment of a Small Business Administration as reported out by the conferees.

One of our colleagues, the junior Senator from Minnesota [Mr. HUMPHREY], has been subjected to unwarranted and unfair criticism because of his vote to reject the conference report—a vote that in truth was in support of small business, a vote concurred in by the largest small-business association in the Nation. For any partisan critic to charge the Senator from Minnesota with opposition to the interest of small business is to disregard the facts and willfully distort the record.

Mr. President, I ask unanimous consent that the remainder of the statement I have prepared on this subject, together with various letters in reference to it, be printed in the RECORD.

There being no objection, the remainder of the statement and the letters were ordered to be printed in the RECORD, as follows:

REMAINDER OF STATEMENT OF SENATOR CLEMENTS

Let the record speak for itself. Here is what the Senator from Minnesota [Mr. HUMPHREY] has done for small business:

The Senator from Minnesota has been a consistent and active friend of independent business enterprise. His record is crystal clear.

He has worked for and voted for strengthening the Robinson-Patman Act, following the suggestions of independent small business groups.

He has voted to strengthen the Federal Trade Commission, in order that it might more effectively enforce the provisions of the Clayton Act.

He has worked for and voted for strengthening the Antitrust Division of the Department of Justice.

He was among the leaders in the fight against the basing-point bill.

¹ Housing hearing on second independent offices appropriations for 1954, pt. I, pp. 222-223.

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued July 15, 1953
For actions of July 14, 1953
83rd-1st, No. 130

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HIGHLIGHTS: Both Houses completed congressional action on wheat-quotas bill. House debated supplemental appropriation bill. Senate committees reported bills to prohibit unfit-wheat blending, authorize exchange of reclamation farm units, and extend excess-profits tax. House subcommittee approved bill permitting public-for-private timber-land exchanges. House conferees were appointed on 1st and 2nd independent offices appropriation bills. President approved drought-relief and wheat-quotas bills.

SENATE

- 1. WHEAT.** Both Houses agreed to the conference report on H. R. 5451, to amend the wheat marketing quota law (pp. 8977-8, 9014-5). This bill was then approved by the President. As finally passed, the bill fixed the 1954 national wheat acreage allotment at 62,000,000 acres (House figure, 66,000,000; Senate, 61,000,000); fixed the wheat penalty at 45% of parity; and made no change in the exemption levels of the previous legislation.
The Judiciary Committee reported with amendments S. 2137, to prohibit the blending of wheat imported as unfit for human consumption with wheat suitable for human consumption (S. Rept. 523)(p. 9004).
- 2. RECLAMATION.** The Interior and Insular Affairs Committee reported with amendments S. 387, to permit the exchange and amendment of farm units on Federal irrigation projects (S. Rept. 531)(p. 9004).
- 3. WATER COMPACT.** The Interior and Insular Affairs Committee reported with amendment S. 1197, to grant consent to negotiation by Nebr., Wyo., and S. Dak. of interstate water compacts (S. Rept. 527)(p. 9004).
- 4. RUBBER.** The Banking and Currency Committee reported with amendments S. 2047, to provide for sale of Government-owned rubber-producing plants (S. Rept. 579)(p. 9004).
- 5. TAXATION.** The Finance Committee reported without amendment H. R. 5598, to extend the excess-profits tax until Dec. 31, 1953 (S. Rept. 576)(p. 9004).

6. TRANSPORTATION. The D. C. Committee reported without amendment S. Res. 140, to provide for an investigation of transportation facilities serving D. C. (S. Rept. 577)(pp. 9009-10).
7. DROUGHT RELIEF. Sen. Schoeppel inserted the report of the Governors attending the seven-State drought conference July 10 (pp. 9011-12).
8. ST. LAWRENCE WATERWAY. Received a Wis. Legislature memorial favoring this project (p. 9003).
9. PRICE SUPPORTS; ELECTRIFICATION. Sen. Langer inserted a Farmers Union local resolution favoring farmer committees, 100% supports, the old parity formula, and the REA programs (pp. 9003-4).
10. LEGISLATIVE PROGRAM as announced by Sen. Knowland: Today, excess-profits tax and various bills including those on fur loans and transfer of a research station to N. C.; Sat., calendar; next week, appropriation bills (p. 9024).

HOUSE

11. APPROPRIATIONS. Began debate on H. R. 6200, the supplemental appropriation bill, 1954 (pp. 8958-76).
Conferees were appointed on H. R. 4663 and 5690, the first and second independent offices appropriation bills for 1954 (pp. 8949-50). Senate conferees have been appointed.
12. BUILDINGS. At the request of Rep. Dondero, referred back to the Public Works Committee H. R. 5406, authorizing GSA to acquire real property and provide for construction of public buildings for housing of Federal agencies by executing purchasing contracts (p. 8950).
13. EDUCATION. Passed with amendment H. R. 6078, extending for 2 years, to June 30, 1956, the Federal program for providing financial assistance for schools in areas affected by Federal activities (pp. 8978-93).
- LANDS.
14. FORESTRY; A subcommittee of the Interior and Insular Affairs Committee voted to report to the full Committee H. R. 4646, to permit Government acquisition of private lands in exchange for public forest lands of equal value; and H. R. 6186, authorizing the Interior Department to grant a preference right to users of withdrawn public lands for grazing purposes when these are restored from withdrawal (p. D703).
Conferees were appointed for H. R. 5134, to provide for U. S. jurisdiction over submerged lands of the outer continental shelf (p. 8950).
15. COMMITTEE ASSIGNMENT. Rep. Bowler was elected to the Education and Labor Committee (p. 8950).
16. EXPENDITURES. Rep. Hoffman inserted articles favoring H. R. 2, to limit Federal expenditures to estimated revenues (pp. 8955-6).
17. ST. LAWRENCE WATERWAY. Received a Wis. Legislature memorial favoring this project (p. 9000).
18. SOCIAL SECURITY. Rep. Kean discussed further improvements needed in the social-security program and his bills to accomplish this (pp. 8993-7).



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PROCEEDINGS AND DEBATES OF THE 83^d CONGRESS, FIRST SESSION

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WASHINGTON, TUESDAY, JULY 14, 1953

No. 130

House of Representatives

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

O Thou who art the inspiration of every noble ideal and principle, may we daily reaffirm our faith in Thy greatness and goodness and highly resolve to always dedicate and range our strength, our hopes and aspirations on the side of truth and righteousness.

Grant that in these days of destiny for the people of our beloved country we may believe that freedom and peace are worth fighting and sacrificing for and that Thou wilt sustain us in our battle for every righteous cause.

Inspire us with a more serene and steadfast faith in the reality and constancy of Thy divine love and power, lest we fail and falter and become the victims of discouragement and defeatism.

May we have the glad assurance that all things are working together for those who love Thee and that some day and in Thy own time our aspirations shall be gloriously fulfilled.

Hear us in the name of the Captain of our Salvation. Amen.

THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

FIRST INDEPENDENT OFFICES APPROPRIATION BILL, 1954

Mr. PHILLIPS. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 4663) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1954, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments and agree to the conference asked by the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from California?

Mr. McCORMACK. Mr. Speaker, reserving the right to object, this is the

appropriation bill that carries funds for low-cost public housing units.

Mr. PHILLIPS. The gentleman is right.

Mr. McCORMACK. And the Senate bill provides authority to build 35,000 units during the present fiscal year starting July 1, as I understand.

Mr. PHILLIPS. That is correct.

Mr. McCORMACK. The gentleman from California knows there is tremendous interest in that, and I would like to ask him if he will agree that unless the House conferees accept the Senate amendment providing for the 35,000 units to bring it back in disagreement so the House will have an opportunity of voting on it?

Mr. PHILLIPS. I would suppose we would have to. There would be no other technical way but to bring back the decision of the conference. There is a feeling on our part that we are obligated, as the gentleman knows, to those housing contracts already signed in good faith. I think we would meet with the Senate and discuss the matter. The Senate voted for 35,000 units; the House has voted for none. I feel that something can be worked out.

Mr. McCORMACK. Will the gentleman promise that unless the conferees agree on the 35,000 units the House will be given an opportunity to vote on that?

Mr. PHILLIPS. I would not want to give any commitment because I cannot speak for all the conferees. We would have to bring back for approval by the House whatever decision was made. I do not think I could agree that we are going to do this or that or not do this or that in advance of the conference.

Mr. McCORMACK. The decision could place the House in a position where it could not get a straight vote on the 35,000 units. You know, the President has publicly declared that he favors the 35,000 units. The day after the bill passed in the House the President made that declaration. There were speeches made in the House while the bill was up, and on the motion to recommit, that would indicate the President was just going through a gesture.

Mr. PHILLIPS. No, I do not think we can say that; but I do think you can say that the subject has wide ramifications and there is some question as to whether the President was answering the question on this particular phase of the housing program or on the use of FHA, FNMA, and other elements which enter into housing. That has never been clarified nor have we asked to have it clarified. I am willing to accept the gentleman's statement as to the situation, except that he makes it a little firmer than I for one understand it.

Mr. McCORMACK. My recollection is that the President was talking on low-cost public housing and not on FHA or FNMA in reference to the 35,000 units during the next fiscal year and that there would be further study and survey made, but that his position was in favor of the 35,000 units being constructed on authority during the present fiscal year. I realize the difficulty of my friend from California as an individual making a statement for the conferees in general.

Mr. PHILLIPS. That is my point.

Mr. McCORMACK. I am not going to take any other position; it would be unfair, but I hope the House conferees, if they do not agree to the Senate amendment, will bring it back in disagreement so that the House may have a straight vote on the 35,000 units. I further hope that the Senate conferees, unless the House conferees agree to the Senate amendment, will stay put, forcing the House conferees to bring back the bill in disagreement so that the House will have another opportunity of voting on the 35,000 units because I think it is vitally important in view of the honest misunderstanding conveyed to the House as to President Eisenhower's position.

Mr. HALLECK. Mr. Speaker, will the gentleman yield?

Mr. PHILLIPS. I yield to the gentleman from Indiana.

Mr. HALLECK. The gentleman from Massachusetts is undoubtedly referring to certain statements I made in the course of debate.

Mr. McCORMACK. And those of the gentleman from New Hampshire [Mr. COTTON].

Mr. HALLECK. May I say that as of today I stand on those statements I made. May I also say to the gentleman that we have had vote after vote on so-called public housing. You can call it anything you want to. As far as I am concerned I am perfectly willing to have the vote again, but I think the gentleman ought to recognize that the conferees are going into this conference as representatives of the House. I do not understand that they are going to say or do anything that would do violence to the procedures or practices that are normally followed.

Mr. TABER. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from New York.

Mr. TABER. I think we ought to have in mind just what the parliamentary picture is. The gentleman knows and realizes that no matter what is in the conference report, a motion to recommit a conference report is in order, and that the question can be brought before the House if Members of the House desire to have it brought up, regardless of what is in the conference report.

Mr. McCORMACK. The gentleman from New York treated the gentleman from Massachusetts very kindly in the instructions as to the parliamentary situation that the gentleman from Massachusetts, fortunately, with his limited knowledge of parliamentary law, was familiar with. But, the gentleman from New York thoroughly understands that if a conference report comes in, in order to bring this matter to a head on a 35,000 unit-vote question, and a motion to recommit a conference report is made, that the parliamentary situation is very unsatisfactory from the angle of those who favor 35,000 units than if the conference report came in enabling the House to have a specific vote on the 35,000 units. So, while I appreciate very much the instructions on parliamentary law given to me by the gentleman from New York, I have to, most kindly, advise him, as he well knows from his years of experience, that from a practical angle the situation is much more difficult than if we have a straight vote on the 35,000 units.

Might I say to my friend from Indiana this: He says he does not know yet what the position of the President is. Is that correct?

Mr. HALLECK. No; I did not say that. I said I stand on the statement I made here in the House. It did not involve any misunderstanding. It was a statement of my opinion, and I stand on it as of today. As far as I am concerned, may I say again it is perfectly all right with me to have another vote on it. As the gentleman understands, if you want that kind of a vote on your side, you can have it.

Mr. McCORMACK. Fine. With that statement from the majority leader my friend from California ought to find it easy to make an agreement with the other two Republican Members.

Mr. HOFFMAN of Michigan. Mr. Speaker, a point of order.

The SPEAKER. The gentleman will state it.

Mr. HOFFMAN of Michigan. I think the full membership of the House is entitled to hear this parliamentary discussion and enjoy the filibuster. I make the point of order that a quorum is not present.

The SPEAKER. The Chair will count.

Mr. HOFFMAN of Michigan. Mr. Speaker, on the advice of the Republican leader—and I want to go along with the administration—I prefer to have my advice come from the Republican side instead of that side over there. I withdraw the point of order, Mr. Speaker.

The SPEAKER. Is there objection to the request of the gentleman from California [Mr. PHILLIPS].

Mr. McCORMACK. Mr. Speaker, further reserving the right to object, I hope my friend from Indiana, the majority leader, will try and ascertain the definite views of President Eisenhower. I think I know what they are from his standpoint. I hope the House conferees will agree to the Senate amendment, and, if not, I hope the Senate conferees will stay put, forcing it back into the House for a vote on a straight issue. And, with that statement, Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from California? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. PHILLIPS, COTTON, JONAS of North Carolina, KRUEGER, TABER, THOMAS, ANDREWS, YATES, and CANNON.

SECOND INDEPENDENT OFFICES APPROPRIATION BILL, 1954

Mr. PHILLIPS. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill H. R. 5690, the second independent offices appropriation bill, 1954, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference requested by the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from California? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. PHILLIPS, COTTON, JONAS of North Carolina, KRUEGER, TABER, THOMAS, ANDREWS, YATES, and CANNON.

ELECTION TO COMMITTEE

Mr. COOPER. Mr. Speaker, I offer a privileged resolution (H. Res. 337) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That JAMES B. BOWLER, of Illinois, be, and he is hereby, elected a member of the standing Committee of the House of Representatives on Education and Labor.

The resolution was agreed to, and a motion to reconsider was laid on the table.

HIGHWAY CROSSINGS ACROSS THE BAY OF SAN FRANCISCO

Mr. DONDERO. Mr. Speaker, I ask unanimous consent that the Committee on Public Works have until midnight to-

night to file a report on the bill (H. R. 6201) authorizing the State of California to collect tolls for the use of certain highway crossings across the Bay of San Francisco.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

CONSTRUCTION OF PUBLIC BUILDINGS

Mr. DONDERO. Mr. Speaker, I ask unanimous consent that the bill (H. R. 5406) to amend the Public Buildings Act of 1949 to authorize the Administrator of General Services to acquire title to real property and to provide for the construction of certain public buildings for housing of Federal agencies or departments, including post offices, by executing purchase contracts, and for other purposes, be referred back to the Committee on Public Works.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

CIVIL ACTIONS AGAINST THE UNITED STATES FOR RECOVERY OF TAXES

Mr. GRAHAM. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 252) to permit all civil actions against the United States for recovery of taxes erroneously or illegally assessed or collected to be brought in the district courts with right of trial by jury, with House amendments thereto, insist on the House amendments, and agree to the conference requested by the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. KEATING, CRUMPACKER, and WILLIS.

AMENDMENT OF SUBMERGED LANDS ACT

Mr. GRAHAM. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 5134) to amend the Submerged Lands Act, with a Senate amendment thereto, disagree to the Senate amendment, and agree to the conference requested by the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania? [After a pause.] The Chair hears none, and appoints the following conferees: Mr. GRAHAM, Miss THOMPSON of Michigan, Mr. HILLINGS, Mr. McCULLOCH, Mr. CELLER, Mr. WALTER, and Mr. WILSON of Texas.

OVERSEAS INFORMATION

(Mrs. ROGERS of Massachusetts asked and was given permission to address the House for 1 minute and to include a telegram from the American Legion.)

SECOND INDEPENDENT OFFICES APPROPRIATION ACT,
1954

JULY 18, 1953.—Ordered to be printed

Mr. PHILLIPS, from the committee of conference, submitted the
following

CONFERENCE REPORT

[To accompany H. R. 5690]

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 5690) making appropriations for additional independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1954, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 2, 7, and 8.

That the House recede from its disagreement to the amendments of the Senate numbered 4, 5, 6, 10, 12, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 27, 28, 29, 30, and 31, and agree to the same.

Amendment numbered 1:

That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$2,564,130; and the Senate agree to the same.

Amendment numbered 26:

That the House recede from its disagreement to the amendment of the Senate numbered 26, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$17,500,000; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 3, 9, 11, 13, 24, and 25.

JOHN PHILLIPS,
NORRIS COTTON,
CHARLES R. JONAS,
OTTO KRUEGER,
JOHN TABER,
ALBERT THOMAS,
GEORGE ANDREWS,
SIDNEY R. YATES,
CLARENCE CANNON,

Managers on the Part of the House.

LEVERETT SALTONSTALL,
HOMER FERGUSON,
STYLES BRIDGES,
GUY CORDON,
BOURKE B. HICKENLOOPER,
BURNET R. MAYBANK,
LISTER HILL,
ALLEN J. ELLENDER,

Managers on the Part of the Senate.

STATEMENT OF THE MANAGERS ON THE PART OF THE HOUSE

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 5690) making appropriations for additional independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1954, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

ATOMIC ENERGY COMMISSION

OPERATING EXPENSES

Amendment No. 1—*Expenses of travel*: Authorizes the use of \$2,564,130 for this purpose instead of \$2,389,130 as proposed by the House and \$2,739,130 as proposed by the Senate.

Amendment No. 2—*Increase in rental charges*: Strikes out the language proposed by the Senate that no part of the appropriation for the Atomic Energy Commission shall be used to raise the rents or other charges of present occupants, pending sale or other disposition of housing owned by the Atomic Energy Commission, above the levels of June 1, 1953.

PLANT AND EQUIPMENT

Amendment No. 3—*Purchase of automobiles*: Reported in disagreement.

Amendments Nos. 4, 5, and 6: Strike out the language proposed by the House providing for research and development for a single atomic power reactor and insert language proposed by the Senate for more than one such reactor. In this connection it is the intent of the committee of conference to provide for development of a single large reactor in this field, but that several small ones may also be started if such is determined to be necessary.

Amendment No. 7: Strikes out language proposed by the Senate to limit the requirement of funds that must be available to meet the currently estimated cost at the start of such construction.

Amendment No. 8: Strikes out the provision of the Senate which would exempt projects for the alteration, extension, or improvement of technical or production facilities from requirements of certain provisions of the bill.

Amendment No. 9—*Access roads*: Reported in disagreement. In connection with the action to be recommended by the managers on the part of the House, the committee of conference adopts the language contained in the Senate report that it is not good legislative technique to allow funds in one bill that have been disallowed in another bill, and emphasizes that its action in this recommendation to take care of an urgent need is not to be taken as a precedent for future action.

Amendment No. 10—*Transfer of funds*: Inserts the language of the Senate amendment authorizing the transfer of not to exceed 5 percent between appropriations to the Atomic Energy Commission.

TENNESSEE VALLEY AUTHORITY

Amendment No. 11: Reported in disagreement.

Amendment No. 12—*Limitation on salaries*: Strikes out the language of the House as proposed by the Senate in connection with the limitation on the salary of any employee of TVA in the District of Columbia. The committee of conference is in agreement that no salary in the District of Columbia for this agency should exceed \$10,000, and that such a requirement shall be effective whenever any position effected by this provision is no longer occupied by a present incumbent.

Amendment No. 13—*Resource development*: Reported in disagreement. In connection with the amendment to be recommended by the managers on the part of the House, the conferees also have approved \$500,000 for resource development earmarked for such purpose by the Senate from the appropriation of \$188,371,000 for TVA contained in the bill.

VETERANS' ADMINISTRATION

Amendment No. 14—*General operating expenses*: Authorizes the use of \$3,200,000 for expenses of travel as proposed by the Senate instead of \$2,675,720 as proposed by the House.

Amendment No. 15—*Medical administration and miscellaneous operating expenses*: Authorizes the use of \$856,000 for expenses of travel as proposed by the Senate instead of \$753,800 as proposed by the House.

Amendment No. 16—*Maintenance and operation of hospitals*: Authorizes the use of \$305,000 for expenses of travel as proposed by the Senate instead of \$270,000 as proposed by the House.

Amendment No. 17—*Maintenance and operation of domiciliary facilities*: Authorizes the use of \$4,800 for expenses of travel as proposed by the Senate instead of \$3,200 as proposed by the House.

Amendment No. 18—*Out-patient care*: Authorizes the use of \$196,000 for expenses of travel of employees as proposed by the Senate instead of \$190,140 as proposed by the House.

Amendments Nos. 19, 20, and 21—*Out-patient dental care*: Insert language as proposed by the Senate in connection with fee basis dental care; and strike out language as proposed by the Senate in connection with the time during which application for treatment must be made. In connection with the limitation on dental care, it is the understanding of the conferees that Spanish-American War veterans will not be affected by this provision. It is also recommended that the legislative committee look into the matter of dental care early in the next session of the Congress.

Amendment No. 22—*Maintenance and operation of supply depots*: Authorizes the use of \$18,200 for expenses of travel as proposed by the Senate instead of \$13,000 as proposed by the House.

Amendment No. 23—*Readjustment benefits*: Inserts language as proposed by the Senate exempting commitments for loans made by

the Veterans' Administration prior to September 1, 1953, from the provisions of the proviso pertaining to certain payments by the Veterans' Administration.

Amendment No. 24: Reported in disagreement.

Amendment No. 25—*Hospital and domiciliary facilities*: Reported in disagreement.

Amendment No. 26—*Hospital and domiciliary facilities*: Appropriates \$17,500,000 instead of \$2,500,000 as proposed by the Senate and \$48,867,000 as proposed by the House. The amount recommended by the conferees will provide funds for planning for hospital construction at San Francisco, Calif., Topeka, Kans., and Houston, Tex.; will provide funds to get started on construction at these three projects, and enable VA to conduct a survey of the hospital-construction program and the sites owned by them and report by February 1, 1954.

Amendment No. 27: Strikes out provisions of the House, as proposed by the Senate, which require that funds be available to complete projects before commencing construction, and which establish limitations on the percentage of construction funds that may be used for planning.

Amendment No. 28—*Transfer of funds*: Inserts language as proposed by the Senate limiting funds that may be transferred between certain appropriations to not to exceed 10 percent of the appropriation so augmented.

Amendment No. 29—*Travel limitation*: Strikes out language proposed by the House and inserts language proposed by the Senate, which excepts uncompensated officials of local boards and appeal boards of the Selective Service System from travel limitations contained in the bill.

Amendment No. 30—*Limitation on funds available for personnel engaged in information, publicity, editorial and similar work*: Strikes out language proposed by the House to reduce personnel employed in this type of work, as proposed by the Senate.

Amendment No. 31: Corrects a section number.

JOHN PHILLIPS,
NORRIS COTTON,
CHARLES R. JONAS,
OTTO KRUEGER,
JOHN TABER,
ALBERT THOMAS,
GEORGE ANDREWS,
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CLARENCE CANNON,

Managers on the Part of the House.

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued July 21, 1953
For actions of July 20, 1953
83rd-1st, No. 135

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HIGHLIGHTS: Both Houses completed congressional action on 2nd independent offices appropriation bill. House received conference reports on 1st independent offices and Army civil appropriation bills. Senate received appropriation estimate for corn allotments. House discussed forest-mining bill. House passed bill to celebrate 50th anniversary of farm-demonstration work. House subcommittee approved its report on pea sales. Sen. Magnuson introduced and discussed bill to restrict farm imports.

HOUSE

- 1. APPROPRIATIONS.** The Appropriations Committee reported without amendment H. R. 6391, the foreign-aid appropriation bill for 1954 (H. Rept. 880)(p. 9562).
Received the conference report on H. R. 4663, the first independent offices appropriation bill for 1954, which includes funds for the Budget Bureau, Civil Service Commission, National Science Foundation, etc. (pp. 9556-60).
Both Houses agreed to the conference report on H. R. 5690, the second independent offices appropriation bill for 1954, which includes funds for the Tennessee Valley Authority, Veterans' Administration, and Selective Service System (pp. 9481-2, 9516-9, 9559-60). This bill will now be sent to the President.
Received the conference report on H. R. 5376, the Army civil appropriation bill for 1954, which includes funds for flood control (pp. 9487, 9545-7).
- 2. BUILDINGS.** The Rules Committee reported a resolution for consideration of H. R. 6342, to authorize GSA to acquire land and enter into lease-purchase contracts for construction of Government buildings thereon (p. 9562).
- 3. EXTENSION WORK.** Passed without amendment H. J. Res. 161, requesting the President to designate 1953 as the 50th Anniversary Year of Farm Demonstration Work (p. 9512).
- 4. SAFETY.** Passed as reported S. 1105, to incorporate the National Safety Council (pp. 9509-10).
- 5. PEA SALES.** A subcommittee of the Agriculture Committee approved for reporting to

the full Committee a report on its study of the sale of 80,000 tons of Austrian peas by CCC (p. D739).

6. FORESTRY. Discussed and, at the request of Rep. Price, passed over H. R. 4983, to define the surface rights of a locator of a mining claim on U. S. land. Rep. Miller said a joint subcommittee of the Interior and Insular Affairs Committee and the Agriculture Committee has been appointed to iron out the differences between the two Committees on this subject. The subcommittee consists of Reps. D'Ewart, Engle, Wharton, Hill, Hagen, and Abbitt. (pp. 9507-8.)
7. RESEARCH. Discussed and, at the request of Rep. Phillips, passed over H. R. 4689, to provide an open-end authorization for the National Science Foundation (p. 9507)...
8. RECLAMATION. Passed without amendment S. 1433, to extend the benefits of certain provisions of the Reclamation Project Act of 1939 to the Arch Hurley Conservancy District, N. Mex. (p. 9512). This bill will now be sent to the President.
9. INTEREST RATES. Rep. Bentsen criticized the policy of permitting increases in interest rates (pp. 9552-5).
10. FORESTRY. The Agriculture Committee reported with amendment H. R. 3107, to provide for conveyance of a tract of forest land in Basalt, Colo. (H. Rept. 888) (p. 9562).

SENATE

11. APPROPRIATIONS. Received from the President a supplemental appropriation estimate for 1954 of \$7,500,000 for this Department to formulate and carry out acreage allotments on the 1954 corn crop in the commercial areas; to Appropriations Committee (S. Doc. 61) (p. 9432).
In reporting H. R. 5969, the defense appropriation bill, the Committee struck out the prohibition against cost-of-living allowances for residents of the Territory or possession involved.
12. RECLAMATION. Passed without amendment H. R. 1991, relating to certain cost adjustments in the Greenfield division, Mont. (p. 9483). This bill will now be sent to the President.
13. SMALL BUSINESS. Passed with amendments H. R. 5141, to create a Small Business Administration. (pp. 9431, 9443-75).
14. FISCAL POLICY. Sen. Morse criticized the Administration's fiscal policies and inserted newspaper articles on this matter (pp. 9440-2).
15. ELECTRIFICATION. Sen. Morse inserted R. L. Neuberger's article criticizing Secretary McKay's decision "to abandon" the Hells Canyon project (p. 9484).
16. LEGISLATIVE PROGRAM. Sen. Knowland stated that today the Senate will consider the FCA reorganization bill and the rubber-plants sale bill (pp. 9483-4).

BILLS INTRODUCED

17. FARM IMPORTS. S. 2430, by Sen. Magnuson (for himself and others), to amend the Trade Agreements Act to vest additional authority in the Tariff Commission regarding imports of agricultural commodities; to Finance Committee (p. 9435). Remarks of author (pp. 9435-6).

more closely together, and can get the problems worked out.

Mr. HICKENLOOPER. I am sure we shall be willing to work as closely with the National Science Foundation as circumstances permit.

Mr. SALTONSTALL. Mr. President, will the Senator from Iowa yield?

Mr. HICKENLOOPER. I yield to the Senator from Massachusetts.

Mr. SALTONSTALL. The theory of the amendment, in respect to research, is that it would permit the Atomic Energy Commission to make contracts for research with organizations outside the government-owned research laboratories. Is that correct?

Mr. HICKENLOOPER. No, the amendment has nothing to do with that.

Mr. SALTONSTALL. Will the Senator kindly explain?

Mr. HICKENLOOPER. The amendment, in the main, may be explained in this manner. We have seven departments within the Atomic Energy Commission. This would enlarge the number by four, so that there would be eleven departments, or divisions. It would not at all increase the contract authority.

Mr. SALTONSTALL. I did not mean that. I may invite the attention of the Senator to the language of the committee report, on page 3, which reads as follows:

The Congress visualized direct operation by the Commission, under the direct supervision of the Division of Research, of Government-owned research laboratories.

But what the Division of Research does is to be brought to the attention of the contractor.

Mr. HICKENLOOPER. I think I now understand the Senator's question. The Senator will pardon me, because I at first misunderstood him. In the original concept of the pending bill, it was thought that probably the Government would do a large part of the work in connection with this operation.

Mr. SALTONSTALL. That is, in the matter of research.

Mr. HICKENLOOPER. Yes. However, as the Commission organized its force and looked into the situation, it became apparent that it could do a better job by having its research done, in the main, through contract, for example, with the Associated Laboratories, which is a Government institution operating at Brookhaven or by the University of Chicago, or by MIT, or by literally hundreds of colleges and research foundations throughout the country, including the University of California. They all operate now as contractors under the Atomic Energy Commission, which is better than for the Commission to operate directly, particularly in the employment of personnel.

Mr. SALTONSTALL. The purpose of the amendment is merely to legalize or to confirm what has already been going on. Is that correct?

Mr. HICKENLOOPER. No, that has already been legalized. This is merely a historical review of what happened, and an attempt to show that we need some other divisions in connection with overall supervision of contractual operations.

Mr. SALTONSTALL. I thank the Senator.

Mr. HICKENLOOPER. Mr. President, I have no further statement, and if there are no further statements by other Senators, I would ask that the bill move to its third reading.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill (S. 2399) was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That section 2 (a) (4) (B) of the Atomic Energy Act of 1946, as amended, is amended to read as follows:

"(B) a Division of Military Application and such other program divisions (not to exceed 10 in number) as the Commission may determine to be necessary to the discharge of its responsibilities. Each division shall be under the direction of a director who shall be appointed by the Commission and shall be compensated at a rate determined by the Commission, but not in excess of \$16,000 per annum. The Director of the Division of Military Application shall be a member of the Armed Forces. The Commission shall require each such division to exercise such of the Commission's powers as the Commission may determine."

SEC. 2. Section 10 (b) (5) (B) (iv) of the Atomic Energy Act of 1946, as amended, is renumbered as section 10 (b) (5) (B) (vii).

SEC. 3. Section 10 (b) (5) (B) of the Atomic Energy Act of 1946, as amended, is amended by adding the following subsection:

"(iv) In the event an investigation made pursuant to sections 10 (b) (5) (B) (i) and (ii) develops any data reflecting that the individual who is the subject of the investigation is of questionable loyalty, the Civil Service Commission shall refer the matter to the Federal Bureau of Investigation for the conduct of a full field investigation, the results of which shall be furnished to the Civil Service Commission for its information and appropriate action."

SEC. 4. Section 10 (b) (5) (B) of the Atomic Energy Act of 1946, as amended, is amended by adding the following subsection:

"(v) If the President deems it to be in the national interest, he may from time to time cause investigations of any group or class which are required by sections 10 (b) (5) (B) (i) and (ii) to be made by the Federal Bureau of Investigation rather than the Civil Service Commission."

SEC. 5. Section 10 (b) (5) (B) of the Atomic Energy Act of 1946, as amended, is amended by adding the following subsection:

"(vi) Notwithstanding the provisions of sections 10 (b) (5) (B) (i) and (ii) above, a majority of the members of the Commission shall certify those specific positions which are of a high degree of importance or sensitivity and upon such certification the investigation and reports required by such provisions shall be made by the Federal Bureau of Investigation rather than by the Civil Service Commission."

SEC. 6. Section 12 (a) of the Atomic Energy Act of 1946, as amended, is amended by adding the following subsection:

"(9) authorize such of its members, officers and employees as it deems necessary in the interest of the common defense and security to carry firearms while in the discharge of their official duties. The Commission may also authorize such of those employees of its contractors engaged in guard duties at facilities owned by the United States, as it deems necessary in the interest of the common defense and security to carry firearms while in the discharge of their official duties."

SEC. 7. Section 12 (a) of the Atomic Energy Act of 1946, as amended, is amended by adding the following subsection:

"(10) make, promulgate, issue, rescind, and amend such rules and regulations as may be necessary to carry out the purposes of this act."

SEC. 8. Section 15 (e) of the Atomic Energy Act of 1946, as amended, is amended by adding at the end thereof the following sentence: "The committee is authorized to permit such of its members, employees, and consultants as it deems necessary in the interest of common defense and security to carry firearms while in the discharge of their official duties for the committee."

SEC. 9. The provisos contained in section 1 of the act to provide for certain investigations by the Civil Service Commission in lieu of the Federal Bureau of Investigation and for other purposes, approved April 5, 1952, are hereby repealed as of the date of this act insofar as they apply to the Atomic Energy Act of 1946.

ORDER OF BUSINESS—SALE OF GOVERNMENT-OWNED RUBBER-PRODUCING FACILITIES

Mr. KNOWLAND. Mr. President, I intend to move to consider Calendar No. 579, which is Senate bill 2047, providing for the sale of Government-owned rubber-producing facilities. I may say for the information of the Senate that it is proposed to make the bill the unfinished business of the Senate. There is a conference report, which is a privileged matter which I shall ask to have laid before the Senate, and there is also a bill which was passed over on the unanimous-consent calendar Saturday, and I shall ask that the unfinished business be temporarily laid aside in order to consider that bill, which is, I think, entirely noncontroversial.

Mr. President, I now move that the Senate proceed to the consideration of Calendar 579, Senate bill 2047.

The motion was agreed to; and the Senate proceeded to consider the bill (S. 2047) to amend the Rubber Act of 1948, as amended, to provide for the sale of Government-owned rubber-producing facilities, to repeal and modify certain of its provisions affected thereby, and for other purposes, which had been reported from the Committee on Banking and Currency with an amendment.

SECOND INDEPENDENT OFFICES APPROPRIATIONS, 1954—CONFERENCE REPORT

Mr. SALTONSTALL. Mr. President, in accordance with the statement of the Senator from California [Mr. KNOWLAND], I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 5690) making appropriations for additional independent executive bureaus, boards, commissions, corporations, agencies, and offices for the fiscal year ending June 30, 1954, and for other purposes. I ask unanimous consent for its present consideration.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

The legislative clerk read the report,

(For conference report, see House proceedings in today's CONGRESSIONAL RECORD.)

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the report was considered and agreed to.

The PRESIDING OFFICER laid before the Senate a message from the House of Representatives announcing its action on certain amendments of the Senate to House bill 5690, which was read, as follows:

IN THE HOUSE OF REPRESENTATIVES, U. S.,
July 20, 1939.

Resolved, That the House recede from its disagreement to the amendments of the Senate numbered 9 and 24 to the bill (H. R. 5690) entitled "An act making appropriations for additional independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1954, and for other purposes, and concur therein;

That the House recede from its disagreement to the amendment of the Senate numbered 3, and concur therein with an amendment, as follows: In lieu of the matter proposed by said amendment insert: "purchase of two hundred and sixty-three passenger-carrying motor vehicles for replacement only in the event adequate vehicles cannot be obtained by transfer from other departments or agencies."

That the House recede from its disagreement to the amendment of the Senate numbered 11, and concur therein with an amendment, as follows: In lieu of the matter stricken out and inserted by said amendment insert: "unless and until the Director of the Bureau of the Budget, following a study of the advisability of the proposed acquisition, shall advise the Committees on Appropriations of the Senate and the House of Representatives and the Tennessee Valley Authority that the acquisition has his approval."

That the House recede from its disagreement to the amendment of the Senate numbered 13, and concur therein with an amendment, as follows: In lieu of the matter proposed by said amendment insert: "Resource development: For resource development activities pursuant to the Tennessee Valley Authority Act of 1933, as amended, \$850,000, of which \$675,000 shall be from proceeds derived from the operations of the Tennessee Valley Authority."

That the House recede from its disagreement to the amendment of the Senate numbered 25, and concur therein with an amendment, as follows: In lieu of the matter proposed by said amendment insert: "planning (including a survey of the hospital construction program) and for."

Mr. SALTONSTALL. Mr. President, I simply wish to say that there are only two amendments of consequence in this bill, on both of which a satisfactory compromise was reached. The first amendment concerns resource development in the TVA. An appropriation of \$1,250,000 was agreed upon to be spent for that purpose, of which half is to come from the TVA funds and half from new money.

The other amendment concerns the building of hospitals for the Veterans' Administration. The House provided for the building of hospitals at San Francisco, Topeka, Kans., and Houston, Tex. The Senate eliminated that item, and provided for planning money. Approximately \$10 million is available for construction of the three hospitals at San Francisco, Topeka, and Houston this

year, if plans are completed in time for the construction.

I move that the Senate concur in the amendments of the House to the amendments of the Senate, numbered 3, 11, 13, and 25.

The PRESIDING OFFICER. The question is on the motion of the Senator from Massachusetts.

The motion was agreed to.

Mr. MAYBANK. Mr. President, I desire to pay my respects to the distinguished Senator from Massachusetts, who did a great job on this bill. What he has said is absolutely correct, but he did not say enough about himself. He struggled long and hard in the conference, particularly with reference to the hospital situation.

Mr. SALTONSTALL. I thank the Senator from South Carolina for his thoughtful words. All I can say is that we worked on this item, and it was the work of the whole committee, and not of only one man.

Mr. MAYBANK. Mr. President, the Senate should appreciate what the chairman of the committee did.

Mr. KEFAUVER. Mr. President, will the Senator from Massachusetts yield?

Mr. SALTONSTALL. I yield.

Mr. KEFAUVER. The Senator, as chairman of the subcommittee, very thoughtfully accepted an amendment to authorize the continuation of rent controls for Oak Ridge, pending a time when the property can be disposed of and the people can own their own homes.

It has been suggested that plans are being made for substantially increased rents, which would upset the economy there, and also that plans were in the making to bring about a means of disposing of properties, so that people could buy them. I hoped that the conference committee would agree to meet this interim continuation of rent control, but I see from the report that the Senate conferees yielded on that issue.

Mr. SALTONSTALL. I would say to the Senator from Tennessee that we yielded for the reason that we received a letter from the Atomic Energy Commission in which it was stated that this provision would, in substance, violate a certain budget circular, A-45, which, in substance, ordered an increase in the rents in that area so that the rents would be self-supporting and they would not have to come back on the appropriation for the Atomic Energy Commission. That is my understanding. For that reason, and because the House had received the same information and felt very strongly about it, we decided, after some discussion, that it was better to eliminate that provision.

I was glad to take the amendment into the conference for the Senator, because it gave us a chance to understand the problem.

Mr. KEFAUVER. In my opinion, the substantial increase in rent as proposed is not justified. But I am sure the Senator did the best he could.

Mr. SALTONSTALL. I believe my colleague from South Carolina will support me in the statement which I have made.

Mr. MAYBANK. Mr. President, the Senator from Massachusetts did every-

thing he could. I think the Senator from Alabama [Mr. HILL] will agree with me that he did everything he could for TVA. I again say, Mr. President, that the Senator from Massachusetts did a remarkable job, considering the attitude of the House.

Mr. HILL. Mr. President, the Senator from Massachusetts exerted every effort to have the amendment of the Senator from Tennessee included in the bill. As the Senator from Massachusetts has stated, there was a letter from the Atomic Energy Commission, and the House simply would not yield.

I wish to join my distinguished colleague, the Senator from South Carolina, in his words of commendation and praise of the distinguished Senator from Massachusetts. He was our chairman, and was a most effective and fine captain of the team.

Mr. SALTONSTALL. I thank both my colleagues.

FRED P. HINES—VETO MESSAGE (S. DOC. NO. 62)

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, which was read and, with the accompanying bill, referred to the Committee on the Judiciary and ordered to be printed:

To the United States Senate:

I return herewith, without my approval, S. 152, "An act for the relief of Fred P. Hines."

The bill directs the Administrator of Veterans' Affairs to pay to Mr. Fred P. Hines the sum of \$778.78; representing the amount claimed as the cost of private hospital and medical expenses incurred in 1948 in treating a disability not connected with his active military service.

Mr. Hines served in the United States Army during the Spanish-American War and was honorably discharged on November 18, 1898. He did not incur a disability while in the military service and he has not suffered any service-incurred disability since then.

This veteran is eligible for medical care and hospitalization in a Veterans' Administration hospital for conditions not of service origin, provided facilities are available and he is unable to pay for such care elsewhere. He has availed himself of Veterans' Administration treatment on numerous occasions. On the occasion in question he chose not to do so.

The record, I believe, reasonably supports the conclusion that this veteran had personal knowledge of the limiting rules and policy governing his case. He was aware that they precluded the Federal Government from assuming responsibility for the costs of private care. In 1947, he requested the Veterans' Administration to pay a private hospital bill which he incurred for a non-service-connected condition. By letter dated February 21, 1947, Mr. Hines was advised by the Veterans' Administration of the denial of his claim for the reason that the expenses were incurred for treatment of non-service-connected conditions.

port back to the Congress. It is nothing more.

Mr. CUNNINGHAM. May I say to the gentleman, that in 1950 the Federal Power Commission reported that a payment of \$10,000 would be adequate to compensate the Indians for any liabilities. The Bureau of Indian Affairs made another investigation and offered the Indians \$1,500,000, which the Indians refused. Now, do I understand the gentleman to say that, if this resolution is agreed to, those discrepancies will be ironed out and a complete report made to the Congress?

Mr. D'EWART. The report will come to the Congress of any negotiations that are entered into.

Mr. CUNNINGHAM. I withdraw my request, Mr. Speaker.

The SPEAKER. Is there objection to the present consideration of the resolution?

There being no objection, the Clerk read the resolution, as follows:

Whereas the Hardin unit of the Missouri Basin project was authorized for construction by the Bureau of Reclamation under section 9 (c) of the act of December 22, 1944 (58 Stat. 887); and

Whereas section 8 of the act of June 4, 1920 (41 Stat. 751, 753), provides that "No additional irrigation system shall be established or constructed by the Government for the irrigation of Indian lands on the Crow Reservation until the consent of the tribal council thereto has been obtained."; and

Whereas section 9 of the act of June 28, 1946 (60 Stat. 333, 336), provides that "No further construction work on the Crow Indian Reservation shall be undertaken by the United States without the prior consent of (1) the Crow Tribe, (2) the irrigation district or districts affected, and (3) the Congress of the United States * * *. The consent of the Crow Tribe shall be obtained by a majority vote of the general council of the tribe expressed at a duly convened meeting * * *"; and

Whereas the Federal Power Commission in a report entitled "Report on Crow Indian Tribal Lands Required for Proposed Yellowstone Dam and Reservoir Project of the Bureau of Reclamation, Big Horn River, Mont.," dated March 1950, made certain recommendations regarding settlement with the Crow Tribe for the use of their lands in connection with the project; and

Whereas the Missouri River Investigation Staff, Billings Area Office, Bureau of Indian Affairs, in Report No. 107 entitled "Appraisal of the Interests of the Indians of the Crow Reservation, Mont., in the proposed taking for the Yellowstone unit of the Bureau of Reclamation," dated August 1950, also make certain recommendations with regard to settlement with the Crow Tribe for the use of their lands in connection with the project; and

Whereas the consent of the Congress has been given in the act of December 22, 1944, as cited; and

Whereas the construction of the Hardin unit is necessary as an integral part of the Missouri Basin project; and

Whereas the early construction of said project is urgently requested by the Legislative Assembly of the State of Montana and local people who would benefit directly by the irrigation water and hydroelectric power to be developed and made available by the project, as indicated in testimony before the Subcommittee on the Interior Department, House Appropriations Committee, March 1953: Now, therefore, be it

Resolved, That it is the sense of the House of Representatives that the Secretary of the

Interior is authorized, and he is requested to enter into negotiations with the Crow Tribe to the end that a fair and just settlement be concluded between the United States and the Crow Tribe for the use of tribal property in connection with the construction, operation, and maintenance of the Hardin unit of the Missouri Basin project; and be it further

Resolved, That the Secretary of the Interior is requested to report to the Speaker of the House of Representatives not later than the opening day of the second session of the 83d Congress as to progress made in these negotiations, together with such recommendations as he deems necessary to the early conclusion of a fair and just settlement.

With the following committee amendment:

Page 3, line 11, after "second", insert "regular."

The committee amendment was agreed to.

The resolution was agreed to, and a motion to reconsider was laid on the table.

AMENDING SECTION 47C OF THE NATIONAL DEFENSE ACT

The Clerk called the bill (H. R. 6039) to amend section 47c of the National Defense Act.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 47c of the National Defense Act, as amended (10 U. S. C. 383, 384, 385a, 386a, 387, 387a, 443), is further amended by changing the period at the end thereof to a semicolon and adding the following: "Provided further, That, to the extent provided in regulations prescribed by the Secretary of the Army, military training in the junior division, Reserve Officers' Training Corps, or military training at an educational institution conducted under section 55c of the National Defense Act, as amended (10 U. S. C. 1180, 1181), when either is received under the direction of an officer of the Army on active duty detailed to such institution as a professor of military science and tactics, or under the direction of a retired or Reserve officer of the Army not on active duty employed by such institution as an instructor of military science and tactics with the approval of the Secretary of the Army, may be credited toward completion of the two academic years of service in the senior division, Reserve Officers' Training Corps, required for admission to the advanced course of that division and for commutation of subsistence, as provided for herein, if the military training received is substantially equivalent to that for which credit is to be allowed."

Sec. 2. The act of September 8, 1916 (ch. 478, 39 Stat. 853; 10 U. S. C. 388), is hereby repealed.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MINING CLAIMS

The Clerk called the bill (H. R. 6217) relating to mining claims located on land with respect to which a permit or lease has been issued, or an application or offer for permit or lease has been made, under the mineral-leasing laws, or known to be valuable for minerals subject to disposition under the mineral-leasing laws, and for other purposes.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. GAVIN. I object, Mr. Speaker.

Mr. SAYLOR. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

Mr. GAVIN. I withdraw my objection, Mr. Speaker.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

FREEING CERTAIN TRIBES OF INDIANS FROM FEDERAL SUPERVISION

The Clerk called the concurrent resolution (H. Con. Res. 108) expressing the sense of Congress that certain tribes of Indians should be freed from Federal supervision.

The SPEAKER. Is there objection to the present consideration of the concurrent resolution?

Mr. EDMONDSON. Reserving the right to object, Mr. Speaker, I understand the author of this bill, the gentleman from Wyoming [Mr. HARRISON] is not present. Certain questions have arisen involving serious objection by the Osage Tribe of Indians to their inclusion in this bill.

I ask unanimous consent that the bill be passed over without prejudice.

Mr. D'EWART. I would be glad to try to answer any questions about this bill.

Mr. EDMONDSON. It is my understanding that the Osage Tribe of Indians of Oklahoma have practically unanimously requested that it not be included in the measure and has asked to be heard by the committee on that point. I have no objection to freeing from Federal supervision all of the tribes that are willing to be freed from supervision, and are ready for it, but when a tribe states its official position through its tribal officers, that it is not ready and not willing to be freed from supervision, I think a hearing should be held to give them an opportunity to be heard before they are freed.

Mr. D'EWART. Insofar as this is a concurrent resolution, only expressing the sense of the Congress, it is not an act, it does not take away any right from any Indians whatever. It is simply an expression of the sense of the Congress that we should end trusteeship and wardship. A resolution such as this has never been directed to the Bureau of Indian Affairs. We think there should be a directive of the objective that we expect the Indian Affairs Bureau to follow in ending wardship and trusteeship. This is nothing more than an expression of the sense of the Congress that we should proceed toward that end.

Mr. EDMONDSON. I understand that, sir.

Mr. Speaker, I ask unanimous consent that this resolution be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

Mr. MILLER of Nebraska. Mr. Speaker, reserving the right to object. I did want to point out, as has been done, that

this will give the Osage Indians the right to be heard. They will be heard, I can assure you of that. It is merely expressing a desire that we direct the Indian Bureau to look into some of the Indians who are ready to be heard and ready to be emancipated and so forth. This would entitle the Osage Indians of the right to be heard.

Mr. EDMONDSON. I appreciate that, sir. I am 100 percent for the hearings. I am informed there are several dozen of them here right now wanting to be heard, and if this is passed over at this time and hearings could be set up within the next week or so, the matter might be resolved.

At this time, I ask unanimous consent that the resolution be passed over.

Mr. DOYLE. Mr. Speaker, I join the gentleman's request that the resolution be passed over at this time.

Mr. EDMONDSON. Mr. Speaker, I ask unanimous consent that the concurrent resolution be passed over without prejudice at this time.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. D'EWART. Mr. Speaker, I ask unanimous consent on behalf of my colleague, the gentleman from Wyoming [Mr. HARRISON] that he may extend his remarks at this point.

The SPEAKER. Is there objection to the request of the gentleman from Montana?

There was no objection.

Mr. HARRISON of Wyoming. Mr. Speaker, House Concurrent Resolution 108 is intended as a directive from Congress to the Bureau of Indian Affairs to start working itself out of a job—which, after all, was the original intent when the Bureau was created.

We all realize, Mr. Speaker, that our American Indians have needed help, and in some instances still need it, in preparing for their complete freedom from Federal supervision and wardship. Some tribes, in my opinion, now are ready for their freedom; others should be within a few years.

My resolution calls upon the Bureau of Indian Affairs to withdraw from certain States and to prepare to relinquish their supervision over certain other tribes. It also requests the Secretary of Interior to review all existing legislation dealing with Indians and to recommend necessary legislation to carry out the purposes of the resolution.

It always has been the intent, Mr. Speaker, for the Federal Government to help the American Indians become self-supporting and ultimately free and equal citizens. This intent was reflected by the Secretary of Interior's annual report of more than a half century ago. This particular report for the fiscal year ended June 30, 1898, had this to say:

The policy heretofore inaugurated of extending to the Indians every facility tending to make them an independent and self-supporting class has been continued. The acceptance by many Indians of the opportunities thus presented to put themselves in a position to acquire a knowledge of farming, the trades, and other useful occupations, by means of which they can compete

with the white man, has proven the wisdom of such a course.

Despite this repeatedly declared intent, Mr. Speaker, Federal supervision over the American Indians has continued to become more complex, more expensive, and the restrictions more stringent through the years.

As an example, the number of Indians under Federal guardianship in 1844 was reported to be 168,909. By 1900 the figure had risen to 270,544, and the next half century saw the number increase to 404,787 by 1950. A much larger increase, proportionately, was seen in the number of Bureau of Indian Affairs employees during the same period. In 1864 the Bureau listed only 97 employees; in 1951 the figure was 12,663.

Expenditures in connection with Indian Affairs have expanded tremendously. In 1800, records show, just \$31 was devoted to the purpose. In 1850 the total was \$1,665,802; in 1900, \$10,175,107; in 1950, \$62,139,983. In 1951 Indian Bureau expenditures amounted to \$74,707,320.

Adding up the annual totals of Indian Bureau spending, money authorizations and actual expenditures for Indian purposes from 1789 through 1951 aggregated \$1,934,926,775. With the 1952 figure included, the grand total would be at least \$2 billion. That's a lot of money, Mr. Speaker, for a Federal agency which was supposed to be working itself out of work through the years. And the grand total is exclusive of some \$100 million paid out in Indian claims resulting from treaty agreements and other sources.

Never, so far as I have been able to learn, has the Congress issued a directive to the Bureau of Indian Affairs to begin going out of business in an orderly manner. Numerous bills have been introduced varying in language from mild requests to free the Indians to outright abolition of the Bureau. But none of them, so far as I know, have been enacted by Congress.

I believe it is time to make a concrete start toward the consistent intent that the Indian Bureau supervision over its wards be diminished. I do not believe that any such start will be made until Congress directs it. That is the whole purpose of my resolution, which I hope will receive speedy and favorable action.

EASTERN OKLAHOMA AGRICULTURAL AND MECHANICAL COLLEGE

The Clerk called the next bill (H. R. 1797) to provide for the conveyance of certain land to the State of Oklahoma for the use and benefit of the Eastern Oklahoma Agricultural and Mechanical College at Wilburton, Okla., and for other purposes.

Mr. MILLER of Nebraska. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

The SPEAKER. That completes the call of the eligible bills on the consent calendar.

SECOND INDEPENDENT OFFICES APPROPRIATION ACT, 1954

Mr. PHILLIPS. Mr. Speaker, I call up the conference report on the bill (H. R. 5690) making appropriations for additional independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1954, and for other purposes, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read the statement.

By unanimous consent (at the request of Mr. PHILLIPS), the further reading of the statement was dispensed with.

(For conference report and statement, see proceedings of the House of today, pp. 9559-9560.)

Mr. PHILLIPS. Mr. Speaker, this conference report is on the second part of the Independent Offices appropriation bill. It comes back to you signed by the members of the conference committee, and so far as I know without controversy. There were in it only 1 or 2 points which I think should have explanation. The first has to do with an argument on the floor in connection with the change in the location of an office for the Tennessee Valley Authority. That has been resolved unanimously by taking the authority out of the Congress and placing it with the Bureau of Budget. This seemed to all of us, including the Members of both House and Senate, to be an adequate and satisfactory settlement.

Then, in the item for the Veterans' Administration the House put in some \$46 million for the construction of 3 NP hospitals, which the Congress had thought would be the conclusion of the broad program which was moving across the country. The Senate took it out, without prejudice to the idea, because the Senate had been informed that it would be impossible—I should say informed by the Veterans' Administration that it would be impossible—to spend that much money in a year. In the conference we adjusted it to the amount of money which would actually be spent in fiscal year 1954, and added a Senate provision, with which we are completely in accord, that a review should be made of the hospital situation, to include an investigation of locations where the Veterans' Administration owns land without a specific program that a hospital is to be built. The VA is to make a recommendation to the Congress by next February.

The other controversial point, if I may call it that—it really was not controversial—was that just before we went into conference we had a request from the legislative Committee on Veterans' Affairs asking if we could widen the provisions regarding the out-patient dental care for veterans. I do not want to give the impression that either the House or the Senate conferees were resistant to the idea. However, it was

a very broad provision, and under the terms of the conference we could not take it up in the conference. We therefore have put in a statement that the provisions do not apply to the Spanish War veterans; that appears on page 4 of the report. Also, I have been instructed by our conferees to take the matter up again with the legislative committee to see if they will attempt to find out just what the situation is in the next 6 months. We will be very glad to see if we can help do something about it. To reopen the matter at this time on points which had not been completely heard and which in some instances were in contradiction to the testimony before House and Senate committees, would not come under the rules of the conference, in spite of our sympathy with the situation which was laid before us.

I know of no other questions which have been raised regarding the matters before us in conference.

Mr. Speaker, to conserve time, I would suggest if there are any questions that they be asked now, and we shall try to answer them.

I yield as much time as he may desire to the ranking Democratic Member, the gentleman from Texas [Mr. THOMAS.]

Mr. THOMAS. Mr. Speaker, there is no controversy in this matter.

I yield such time as he may require to the gentleman from Ohio [Mr. SECREST].

Mr. SECREST. Mr. Speaker, this bill was recommitted to provide for a complete study by the Veterans' Affairs Committee with respect to the requiring of financial statements by non-service-connected disabled veterans for admission to hospitals, and many other phases of this question.

I want to report to the House that our committee has met every weekday since that bill was recommitted. We heard the Veterans' Administration on several days. We have heard all of the veterans' organizations, the American Medical Association, the American Dental Association, the American Psychiatric Association, and many other groups.

We are attempting as best we can to secure every single bit of evidence and all facts with respect to the whole veterans' program in order that the veteran may receive justice and in order that we may have a fair and sound veterans' program understood by the people of this country.

There is one phase of this bill which will have a very adverse effect upon the veterans of the country—at least a great group of them.

I think we should point out at this time that the rider affecting dental care will seriously affect many groups of veterans. In the first place the \$23 million contained in this bill for the dental care of 20 million veterans is only 0.2 percent of the total amount of money the people of the United States will spend this year for dental care according to the testimony of the American Dental Association; in other words, the people of the United States will spend over \$1 billion on their teeth, yet we of the Congress are appropriating only \$23 million for 20 million veterans.

The attorney and Acting Administrator of the Veterans' Administration have told us that under the terms of this rider all Spanish-American veterans must be excluded. The committee in its report stated that it was not their intention to do this, and I am hopeful that the Veterans' Administration will agree with the committee. You must remember that during the Spanish-American war there was not a single dentist in the service. How can a veteran who served in Cuba, in the Philippines, or in Florida come to the Veterans' Administration and prove service connection for dental disability?

Mr. PHILLIPS. Mr. Speaker, will the gentleman yield?

Mr. SECREST. I yield.

Mr. PHILLIPS. The gentleman's point is well taken regarding Spanish-American War veterans, but the point is—and in this we do not agree with the attorney for the Veterans' Administration—the point is that there is a special act for the Spanish-American veterans which entitles them to this dental care. To include them within the restrictions of the bill would be just as arbitrary as for the Veterans' Administration to say that they are barred from it because of those restrictions.

It seems to me that if there is any question, the gentleman's committee could pass a very simple bill stating that under the provisions of H. R. 5690, the Spanish-American War Act was not affected. That could be brought out of the gentleman's committee tomorrow morning and would probably go through by unanimous consent. I am quite sure the Speaker would listen favorably to such a suggestion.

Mr. SECREST. The committee has been doing everything it can.

Mr. PHILLIPS. It would clarify the matter, although in my opinion it would not be needed.

Mr. SECREST. I want to point out that 240,000 veterans of World War II and Korea have already been turned back as not entitled to dental treatment under the terms of the rider as interpreted by the Veterans' Administration. Under its interpretation of the rider in this appropriation bill at least 60 percent of the veterans will have to be denied dental treatment even though they have already been notified they are entitled to it.

Mr. PHILLIPS. The gentleman is partially correct in this way: Testimony before our committee and I presume it is the same before the gentleman's committee, is that whether or not they receive treatment they would have to be reexamined, that is the greater part of them. When the gentleman says there are 20 million veterans who would be entitled to this, that includes every veteran, and certainly there has been no testimony before any congressional committee that all of these veterans are entitled to treatment in non-service-connected cases, and have their teeth taken care of.

Mr. SECREST. Only service-connected cases are entitled to dental care; no non-service-connected case can get dental care.

Mr. PHILLIPS. Also the term "service-connected" is subject to various interpretations, in relation to dental care, and the gentleman's committee is working on that. I think it would be a little difficult to reopen the whole question of dental care here. That is one subject upon which every one of the veterans' organizations, as well as individuals and groups coming before the Appropriations Committee, have suggested there should be a revision of the policy of dental treatment.

I thank the gentleman for his statement; I think it was valuable.

Mr. SECREST. Our committee is doing everything it can with respect to this whole question of dental care and is most earnestly concerned to bring out a recommendation which will satisfactorily settle this problem. But I do feel that under this rider many veterans will be denied dental treatment who are deserving of it. The conferees should have taken the matter up further and dealt with it more equitably in this particular section of the bill.

Mr. PHILLIPS. Mr. Speaker, I yield 2 minutes to the gentlewoman from Massachusetts [Mrs. ROGERS].

Mrs. ROGERS of Massachusetts. Mr. Speaker, I believe the Committee on Veterans' Affairs will report out a bill which will be fair, and I think I can speak for all members of that committee. There are certain inequities that will take place, certain things that the members of the Committee on Appropriations do not realize will take place, under this amendment. I hope the membership will help us report a bill out very quickly, as a matter of fact before the session ends, that will do some sort of justice to these people who will be barred from having their dental work cared for, especially those with service connection. I understand the Spanish American War veterans will be taken care of under some other provision. Is that the idea of the Veterans' Administration?

Mr. PHILLIPS. Yes, the gentlewoman is correct. We believe that they have an act of their own and are not affected by the terms of this bill. If there is any question regarding that, a simple clarification bill passed by the gentlewoman's committee will help the matter.

Mrs. ROGERS of Massachusetts. I thank the gentleman.

Mr. FRELINGHUYSEN. Mr. Chairman, will the gentlewoman yield?

Mrs. ROGERS of Massachusetts. I yield to the gentleman from New Jersey.

Mr. FRELINGHUYSEN. As a member of the hospital subcommittee, I heard the General Counsel testify last week that there might be some doubt as to whether the Spanish American War veterans would be entitled to dental treatment as a result of this rider. I am planning to introduce a bill today or tomorrow which would specifically permit the Spanish American War veterans to receive this dental treatment, regardless of the conditions of this bill.

Mrs. ROGERS of Massachusetts. I think we should act on it very quickly.

Mr. PHILLIPS. May I say and recommend very strongly that the gentlewoman not attempt to put in that bill

anything else but the Spanish-American War veterans, because when you come to these other categories you have entered into the broad field of just exactly how much out-patient dental care shall be given to people and what the justification is for that. I have been instructed by the conferees on our side to write the gentlewoman's committee and suggest that that is a matter for investigation by both her committee and my own during the next 6 months, then reviewed with the idea of action when the House reconvenes in January. That is the quickest way it can be done, and that is the most satisfactory.

Mrs. ROGERS of Massachusetts. I may say to the gentleman that I think a bill could be passed out of our committee quickly and it would save the Government a good deal of money because many cases will be gone over and rerated.

Mr. PHILLIPS. As the gentlewoman well knows almost if not all of the cases will have to be gone over again because the Dental Service in the Veterans' Administration testified that they cannot take these examinations which have been made months and years before in order to decide on the individual cases. They must examine again. I think probably that is lost already, so we are in no further danger of losing.

Mrs. ROGERS of Massachusetts. If the gentleman will read the testimony in our hearings he will find a good deal of time can be eliminated under certain conditions.

Mr. PHILLIPS. I will be very happy to read the hearings.

Mrs. ROGERS of Massachusetts. I thank the gentleman. I was pleased that the conferees placed back in the bill a part of the funds for hospital construction. However, I fear very much that the \$300 million deferment for compensation and pension payments was most unwise. Those payments are statutory and should not be deferred.

Mr. PHILLIPS. Mr. Speaker, I yield 2 minutes to the gentleman from Illinois [Mr. YATES].

Mr. YATES. Mr. Speaker, I want to take this time in order to clear up some of the confusion that has arisen as a result of the action of the conferees in connection with the public-housing appropriation a matter which is not technically a part of this appropriation but will come up later in the week and which was a subject of discussion by the conferees.

Members of Congress have the impression that the 20,000 units agreed upon by the conferees is comparable to the 35,000 figure that was in the conference report last year and became a part of the Independent Offices Act of 1953. That is not true. The units in the conference report are to be taken from the backlog of 60,000 units to be constructed by the Public Housing Administration without new units being authorized for the backlog for replacements.

When the bill left this House the entire backlog under legal contract could be constructed. As a result of what the conferees did, in my opinion, the PHA can build only 20,000 units. Thus there has been lost the authorization for con-

struction of 40,000 units which would have been constructed if the 20,000 limitation were not placed in the conference report.

Mr. PHILLIPS. Mr. Speaker, I might respectfully say to my colleague from Illinois that that matter is not before us today, and I think we would only confuse the issue if we bring up what is a controversial issue at the time. We are talking about a noncontroversial bill which contains nothing of that sort in it. I do not agree with the gentleman; I think quite the opposite. Instead of losing, they are gaining 10,000 houses. I would be very glad to discuss it with him further when the conference report comes up, which I think will be tomorrow.

Mr. YATES. I was going to say to the gentleman there is no controversy on this appropriation conference report, but inasmuch as housing is technically a part of the purview of the Independent Offices Subcommittee, and in view of the fact that it was discussed at the same time this conference report was, and in view of the further fact that many Members have asked me what happened on housing, who seemed to have a wrong impression of what happened, I take this time in order to make my position clear.

Mr. PHILLIPS. I am sure if they felt the way the gentleman stated it, it was a wrong position on the part of the people he was talking about.

I would like to take a minute or two to give some figures which I will ask permission to put in the RECORD at this point:

Comparative amounts for the 1st and 2d independent offices appropriation bills, 1954

	1st independent offices	2d independent offices
Budget estimate.....	\$1, 172, 444, 190	\$6, 455, 758, 664
Revised budget estimate..	888, 928, 384	5, 611, 788, 664
House amount.....	451, 020, 493	5, 284, 369, 664
Senate amount.....	450, 913, 949	5, 239, 352, 664
Conference amount.....	447, 429, 499	5, 253, 177, 664
Conference under budget..	-725, 014, 691	-1, 202, 581, 000
Conference under revised budget.....	-441, 498, 885	-358, 611, 000
Conference under House..	-3, 590, 994	-31, 192, 000
Conference compared with Senate.....	-3, 484, 450	+13, 825, 000

Mr. YATES. I thank the gentleman.

Mr. PHILLIPS. Mr. Speaker, I yield 1 minute to the gentleman from New York [Mr. KEATING].

Mr. KEATING. Mr. Speaker, I just wanted to direct an inquiry to the chairman of the subcommittee with reference to the Veterans' Administration appropriations. I think my inquiry has to do not with this particular appropriation bill but, as I remember it, rather with a supplemental appropriation for the Veterans' Administration considered earlier in this session.

Mr. PHILLIPS. We are considering it now.

Mr. KEATING. In connection with that we had an issue raised here with reference to the appropriation for domiciliary and hospital care for the Veterans' Administration, and an effort was made to increase the figures brought in by the committee by \$10 million.

Mr. PHILLIPS. The gentleman was correct. It was the first supplemental bill of this year.

Mr. KEATING. It was for this fiscal year, ending July 1 of this year, as I remember it.

Mr. PHILLIPS. That is correct.

Mr. KEATING. My inquiry is this: At the time of the debate the assertion was made by those who were supporting the committee figures that even without the increase there would be money left over in that particular fund at the end of the fiscal year and that for that reason, obviously the increase was not needed. I want to ask the gentleman, if it turned out to be that way, and whether at the end of the fiscal year there were funds left over, and if so, what would they amount to?

Mr. PHILLIPS. Today is the 20th of July and it must be remembered that the data on which this calculation is made must be brought in from all parts of the United States. But, as of today the figure has reached 4.7 million approximately, and we will go above that. In other words, there will be more than \$5 million left over at the end of the last fiscal year.

Mr. KEATING. So would it be a fair assertion to say that if the amendment to increase the fund \$10 million had been adopted, there would have been left over not \$5 million but some \$15 million?

Mr. PHILLIPS. Both the budget officer of the VA and the Administrator of the VA have confirmed the statement the gentleman has just made.

Mr. KEATING. I thank the gentleman.

The SPEAKER. The question is on the conference report.

The conference report was agreed to.

The SPEAKER. The Clerk will report the first amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 3: On page 4, line 1, after "aircraft," insert the following: "purchase of 526 passenger-carrying motor vehicles (of which 426 shall be for replacement) in the event adequate vehicles cannot be obtained by transfer from other departments or agencies."

Mr. PHILLIPS. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment:

The Clerk read as follows:

Mr. PHILLIPS moves that the House recede from its disagreement to the amendment of the Senate No. 3, and concur therein with an amendment, as follows: In lieu of the matter proposed by said amendment insert "purchase of 263 passenger-carrying motor vehicles for replacement only in the event adequate vehicles cannot be obtained by transfer from other departments or agencies."

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 9: Page 5, line 23, insert the following: "Provided further, That the Commission is authorized to transfer not to exceed \$10 million to the Bureau of Public Roads, Department of Commerce, to provide for construction of access roads to

the Pike County, Ohio, plant and to the Arco, Idaho, plant of the Commission."

Mr. PHILLIPS. Mr. Speaker, I move that the House recede and concur in the Senate amendment.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 11: On page 10, line 11, strike out "so long as the amount appropriated annually for the construction of power facilities exceeds the amount deposited annually in the Treasury for repayment of the investment of the Federal Government in the power facilities of the Authority" and insert "until the Director of the Bureau of the Budget makes a study and report with recommendations not later than January 1, 1954, to the appropriations committees of the House and Senate on the advisability and feasibility of acquisition of said building."

Mr. PHILLIPS. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. PHILLIPS moves that the House recede from its disagreement to the amendment of the Senate numbered 11, and concur therein with an amendment, as follows: In lieu of the matter stricken out and inserted by said amendment insert "unless and until the Director of the Bureau of the Budget, following a study of the advisability of the proposed acquisition, shall advise the Committees on Appropriations of the Senate and the House of Representatives and the Tennessee Valley Authority that the acquisition has his approval."

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 13: Page 10, line 24, insert:

"Resource development programs: \$1,350,000 for resource development programs pursuant to the Tennessee Valley Authority Act of 1933, as amended."

Mr. PHILLIPS. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. PHILLIPS moves that the House recede from its disagreement to the amendment of the Senate numbered 13, and concur therein with an amendment, as follows: In lieu of the matter proposed by said amendment insert:

"Resource development: For resource development activities pursuant to the Tennessee Valley Authority Act of 1933, as amended, \$850,000, of which \$675,000 shall be from proceeds derived from the operations of the Tennessee Valley Authority."

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 24: Page 16, line 3, insert "Provided further, That under any contract between a State, or any political subdivision of a State, and the Veterans' Administration providing for the furnishing of instruction in a course of institutional on-farm or other training under part VIII of Veterans Regulation No. 1 (a), as amended (Public Law 346, 78th Cong., as amended) liability authorized by this section by reason of

payments of subsistence allowance which were illegal because of failure of the veteran or the course to comply with the applicable statutory, regulatory or contractual requirement shall not be applied to the contracting State, or political subdivision, unless the Administrator of Veterans' Affairs, after investigation, finds that an employee or representative of such State, or political subdivision, conspired with the veteran by, or was guilty of fraud or gross negligence in, falsely reporting to the Veterans' Administration that the veteran was in a proper course of training, failing to report unauthorized or excessive absences from, or interruption or discontinuance of, his course of training, or not discovering the failure of the veteran to comply with the applicable statutory, regulatory, or contractual requirements and not promptly terminating the course of training of the veteran. The provisions of this proviso shall be effective as of July 13, 1950, but shall not require repayment of any funds heretofore properly recovered by agreement of the parties to any such contract, and shall not be applicable to any other liabilities or agreements pursuant to such contract."

Mr. PHILLIPS. Mr. Speaker, I move that the House recede and concur in the Senate amendment.

The motion was agreed to.

The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 25: On page 18, line 9, after the word "for", insert "planning for."

Mr. PHILLIPS. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. PHILLIPS moves that the House recede from its disagreement to the amendment of the Senate numbered 25, and concur therein with an amendment, as follows: In lieu of the matter proposed by said amendment insert "planning (including a survey of the hospital construction program) and for."

The motion was agreed to.

A motion to reconsider the votes by which action was taken on the several motions was laid on the table.

EXTENSION OF REMARKS

Mr. COOPER asked and was given permission to extend his remarks immediately following the passage of H. R. 4152.

MOVIE TAX RELIEF

Mr. ALLEN of Illinois. Mr. Speaker, I call up the resolution (H. Res. 331) providing for the consideration of H. R. 157, a bill to provide that the tax on admissions shall not help to admissions to a moving-picture theater.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 157) to provide that the tax on admissions shall not apply to admissions to a moving-picture theater, and all points of order against said bill are hereby waived. After general debate, which shall be confined to the bill, and shall continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means, the bill shall be con-

sidered as having been read for amendment. No amendment shall be in order to said bill except the substitute amendment recommended by the Committee on Ways and Means now in the bill, but such amendment shall not be subject to amendment. At the conclusion of such consideration, the Committee shall rise and report the bill to the House, with such amendment if adopted, and the previous question shall be considered as ordered on the bill, and the amendment thereto if adopted, to final passage without intervening motion, except one motion to recommit.

Mr. ALLEN of Illinois. Mr. Speaker, I rise to urge the adoption of House Resolution 331 making in order the consideration of H. R. 157, to provide that the tax on admissions shall not apply to admissions to a moving-picture theater. House Resolution 331 provides for a closed rule with no amendments in order except the substitute amendment recommended by the Committee on Ways and Means now in the bill. Points of order against the bill are waived and 1 hour of general debate is allowed.

Mr. Speaker, H. R. 157 is the result of a very critical situation in the motion-picture theater business.

Mr. Speaker, the plight of the movie-theater people is a desperate one, and demands immediate attention. I hope that the House will see fit to act favorably on House Resolution 331, thus making possible the consideration of this bill that is so important to the long-range survival of the movie theaters of the United States.

Mr. Speaker, I yield 30 minutes to the gentleman from Mississippi [Mr. COLMER].

Mr. COLMER. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, this is a rule on the so-called movie tax relief bill. It is a closed rule, and as the gentleman from Illinois has stated, I do not think there is any opposition to the rule itself. I have heard of no opposition to it, and I do not understand that there is a great deal of opposition to the bill itself so far as the merits of it are concerned. In fact, I do not think there should be any opposition to it. This bill is the answer to the prayer of the small town and village movie operators. It is a hardship proposition. We have seen these movie houses in these small communities close their doors one after the other. In fact, there was an average of 1 of these small theaters that closed its doors every 8 hours for the first 90 days of this year. Within the past 60 days that has been accelerated to the point that there is 1 theater closing every 3 hours. There are very few congressional districts, I am sure, that have not felt the impact of this closing epidemic. It is argued that television is responsible for this. I am sure that it is a contributing factor. But that fact is no argument against this bill. It is rather the more reason for the bill. However, the fact remains that these houses are being closed. These movie houses in the small communities are American institutions. They are a great asset to the community. They furnish entertainment and relaxation for many people who live in small communities who have no other method of entertainment. I think I can say to you,

in all candor, at least in my judgment, that the action taken here and in the other body today or tomorrow or whenever it may be, will determine whether or not these little institutions will survive in these small American communities.

There have been over 5,000 of these small institutions that have closed in the last 2 years. There are another 5,000 that are operating in the red. Therefore, I repeat, this is a hardship proposition. Of course, we do not like other taxes. There are other taxes that are a great burden upon the economy of the country, but I know of nothing that affects the economy of the country to the same extent, in the same ratio in the way of taxes, as it does on the small movies.

Mr. Speaker, for 6 years I have been sponsoring such legislation. I introduced a bill similar to this bill in 1948 and I have followed it up in every Congress since that time. I wish to congratulate the chairman of the Ways and Means Committee, and the members of that great committee, in having brought to fruition, as far as this House is concerned, this much-needed legislation. The argument is made that we cannot afford to lose the revenue that will be lost as a result of the repeal of this movie tax. I am not a tax expert, but some of those who have gone into the subject have come up with various answers. One group claims that as high as \$200 million a year would be lost to the Treasury. I understand another group has figured it would be \$100 million. I understand there was some testimony to the effect that the loss would be some \$50 million. Frankly, I do not know. However, I do know, as has been pointed out by those in a position to know, that the hope is that at least when the theaters get back into the black instead of in the red, the income tax that will result will go a long way toward offsetting the loss of these excise taxes, if it will not completely offset it.

The Ways and Means Committee in its report has gone on record covering some of the things I have mentioned here. Among other things they say that:

On April 20, 1953, your committee held a hearing on this bill and the testimony covered over 120 pages.

I might add in that connection that there were approximately 100 Members of the Congress who testified in behalf of this legislation. Continuing, the report says:

This testimony showed the tragic plight of the industry at the present time.

I will conclude by saying that the situation demands immediate action so that the motion-picture operators can continue in business. Since motion pictures are operating in every town and village in this country the enforced closing of these theaters will have a very disturbing effect upon the economy of the entire country.

Mr. Speaker, I feel that this is very meritorious legislation. I think it is worthy and that it should be passed. I have no hesitance in predicting that it will pass this House today.

Mr. ABERNETHY. Mr. Speaker, will the gentleman yield?

Mr. COLMER. I yield to the gentleman from Mississippi.

Mr. ABERNETHY. I am delighted that this legislation has been brought to the floor for our consideration. It is quite meritorious. My interest in relieving the small-town theaters of this burdensome tax is not confined to the present. As far back as January 15, 1948, I talked with many members of the Ways and Means Committee about it, urging they report such a bill. I have repeatedly urged such. I recall having put a letter in the hands of the chairman and all members of the committee in which I cited examples of the serious effect that this tax was having on the small theaters in my district and throughout our section of the country. It was very serious then and is worse now. Now that it has been found that the tax is having a very serious effect on theaters all over the country, particularly the small-town theater, I think the bill certainly ought to pass. I shall certainly support it.

Mr. ALLEN of Illinois. Mr. Speaker, I ask unanimous consent that the gentleman from California [Mr. MILLER] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

[Mr. MILLER of California's remarks will appear hereafter in the Appendix.]

Mr. ALLEN of Illinois. Mr. Speaker, I yield such time as he may desire to the gentleman from Ohio [Mr. JENKINS].

Mr. JENKINS. Mr. Speaker, I ask unanimous consent to revise and extend the remarks I expect to make in the Committee of the Whole this afternoon on this bill and to include extraneous matter therein.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. JENKINS. Mr. Speaker, I also ask unanimous consent that my colleague, the gentleman from Illinois [Mr. MASON], who finds himself unable to be here today may extend his remarks in in the RECORD in general debate on this bill this afternoon.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. ALLEN of Illinois. Mr. Speaker, I yield such time as he may desire to the gentleman from California [Mr. MAILLIARD].

Mr. MAILLIARD. Mr. Speaker, while I support this bill to alleviate the critical economic condition of one of our great national industries, and one which is particularly important to the economy of my own State of California, I must point out to the House that the closed rule under which the bill comes to us compels us to accede, however unwillingly, to a most inequitable situation. If this bill becomes law, as I hope it will, we will be removing the Federal admission tax from a particular commercial industry, while failing to give comparable relief to

many cultural and educational activities of a nonprofit and charitable nature.

I have introduced in this session bills to free from the Federal admission tax, certain concerts and ballets conducted by the people of San Francisco, either through their city government, or through nonprofit community membership associations. I have also introduced a bill to free from Federal admission tax, San Francisco's new planetarium, an important educational activity conducted by a nonprofit scientific academy.

I have repeatedly requested the Committee on Ways and Means to take action on these or similar bills introduced by other Members, and I would like to take this opportunity to again urge that the committee take prompt action which would allow consideration of legislation to free from the Federal admission tax, activities of a civic-betterment nature, when they are conducted in such a manner that no profit can accrue to any group or individual. Such action seems to me to be almost mandatory in common fairness to the public, since we are today seeking to provide similar relief for a profitmaking industry.

Mr. ALLEN of Illinois. Mr. Speaker, I yield such time as he may desire to the gentleman from California [Mr. HOLT].

Mr. HOLT. Mr. Speaker, the district I represent in Congress consists of Hollywood and the San Fernando Valley. Our community is the motion-picture capital of America. Five of the major motion-picture companies and numerous smaller studios and offices provide employment for a great many of my constituents. There are over 30 theaters which are run by independent businessmen within the bounds of my district. From this brief statement providing the background of my community, you can see that, quite naturally, I have a very deep interest in the welfare of the motion-picture industry.

I know from both observation and direct contact that the industry has suffered greatly from the Federal 20-percent admission tax. Any discussion of the admission tax must concern itself primarily with the 18,000 theaters that are situated in nearly 10,000 cities and towns in the United States, and not the producing companies. In other words, the picture business, as we look at it in relation to this tax, is a multitude of small businesses.

I should like to make only one reference to a motion-picture producing company that has, to date, not been brought to the attention of the House. While we are greatly concerned for all the motion-picture theaters, we have a special concern for those operating within the smaller cities. I have the same concern for the motion-picture companies in my district that make the movies to be exhibited in the thousands of rural theaters.

When you think of a moving-picture company, do you not think of a few stars who may get a salary that seems like a lot to us; although, after taxes get through with them, many of them do not have much left.

THE TAX COURT OF THE UNITED STATES

Amendment No. 65—Salaries and expenses: Authorizes the use of \$45,000 for expenses of travel as proposed by the Senate, instead of \$40,000 as proposed by the House.

WAR CLAIMS COMMISSION

Amendments Nos. 66 and 67—Administrative expenses: Appropriate \$850,000, as proposed by the Senate, instead of \$750,000, as proposed by the House; and authorize the use of \$6,260 for expenses of travel, instead of \$5,000 as proposed by the House and \$7,520 as proposed by the Senate. In providing the increased amount proposed by the Senate the conferees recommend that the additional sum be used to assist in the early completion of the work of the Commission.

TITLE II—CORPORATIONS

HOUSING AND HOME FINANCE AGENCY

Amendments Nos. 68 and 69—Federal National Mortgage Association: Authorize the use of \$3,250,000 of available funds for administrative expenses, instead of \$2,300,000 as proposed by the House and \$4,200,000 as proposed by the Senate; and authorize the use of \$108,175 for expenses of travel, instead of \$95,750 as proposed by the House and \$120,600 as proposed by the Senate.

Amendments Nos. 70 and 71—Housing loan programs: Authorize the use of \$525,625 from available funds for administrative expenses, instead of \$411,250 as proposed by the House and \$640,000 as proposed by the Senate; and authorize the use of \$27,000 for expenses of travel, instead of \$26,330 as proposed by the House and \$27,600 as proposed by the Senate.

Amendment No. 72—Home Loan Bank Board: Authorizes the use of \$25,000 for expenses of travel, instead of \$20,000 as proposed by the House and the elimination of such limitation as proposed by the Senate.

Amendment No. 73—Federal Savings and Loan Insurance Corporation: Authorizes the use of \$5,450 for expenses of travel, instead of \$4,370 as proposed by the House and \$6,500 as proposed by the Senate.

Amendments Nos. 74, 75, 76, 77, and 78—Federal Housing Administration: Authorize the use of \$5,322,800 for administrative expenses, instead of \$5,045,590 as proposed by the House and \$5,600,000 as proposed by the Senate; authorize the use of \$157,750 for expenses of travel, instead of \$131,000 as proposed by the House and \$184,500 as proposed by the Senate; authorize the use of \$500 for the purchase of periodicals and newspapers as proposed by the House instead of \$1,500 as proposed by the Senate; provide \$26,500,000 for nonadministrative expenses, as proposed by the Senate, instead of \$27,500,000 as proposed by the House; and restore the provision of the House repealing the authorization for the position of Assistant Commissioner established pursuant to section 213 (f) of the National Housing Act, as amended.

Amendments Nos. 79, 80 and 81—Public Housing Administration: Authorize the use of \$10,975,000 of available funds for administrative expenses, instead of \$8,973,000 as proposed by the House and \$13,025,000 as proposed by the Senate; authorize the use of \$800,000 for expenses of travel, instead of \$685,300 as proposed by the House and \$916,000 as proposed by the Senate; and restore the proposal of the House requiring the Commissioner to make every effort to refund local bonds held by PHA.

JOHN PHILLIPS,
NORRIS COTTON,
CHARLES R. JONAS,
OTTO KRUEGER,
JOHN TABER,
ALBERT THOMAS,
GEORGE ANDREWS,
CLARENCE CANNON,

Managers on the Part of the House.

SECOND INDEPENDENT OFFICES
APPROPRIATIONS, 1954—CON-
FERENCE REPORT

Mr. PHILLIPS submitted the following conference report and statement:

CONFERENCE REPORT (H. REPT. No. 882)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 5690) making appropriations for additional independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1954, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 2, 7 and 8.

That the House recede from its disagreement to the amendments of the Senate numbered 4, 5, 6, 10, 12, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 27, 28, 29, 30 and 31, and agree to the same.

Amendment numbered 1: That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert: "\$2,564,130"; and the Senate agree to the same.

Amendment numbered 26: That the House recede from its disagreement to the amendment of the Senate numbered 26, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert: "\$17,500,000"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 3, 9, 11, 13, 24 and 25.

JOHN PHILLIPS,
NORRIS COTTON,
CHARLES R. JONAS,
OTTO KRUEGER,
JOHN TABER,
ALBERT THOMAS,
GEORGE ANDREWS,
SIDNEY R. YATES,
CLARENCE CANNON,

Managers on the Part of the House.

LEVERETT SALTONSTALL,
HOMER FERGUSON,
STYLES BRIDGES,
GUY CORDON,
BOURKE B. HICKENLOOPER,
BURNET R. MAYBANK,
LISTER HILL,
ALLEN J. ELLENDER,

Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 5690) making appropriations for additional independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1954, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

ATOMIC ENERGY COMMISSION

Operating expenses

Amendment No. 1—Expenses of travel: Authorizes the use of \$2,564,130 for this purpose, instead of \$2,389,130 as proposed by the House and \$2,739,130 as proposed by the Senate.

Amendment No. 2—Increase in rental charges: Strikes out the language proposed

by the Senate that no part of the appropriation for the Atomic Energy Commission shall be used to raise the rents or other charges of present occupants, pending sale or other disposition of housing owned by the Atomic Energy Commission, above the levels of June 1, 1953.

Plant and equipment

Amendment No. 3—Purchase of automobiles: Reported in disagreement.

Amendments Nos. 4, 5, and 6: Strike out the language proposed by the House providing for research and development for a single atomic power reactor and insert language proposed by the Senate for more than one such reactor. In this connection, it is the intent of the committee of conference to provide for development of a single large reactor in this field, but that several small ones may also be started if such is determined to be necessary.

Amendment No. 7: Strikes out language proposed by the Senate to limit the requirement of funds that must be available to meet the currently estimated cost at the start of such construction.

Amendment No. 8: Strikes out the provision of the Senate which would exempt projects for the alteration, extension, or improvement of technical or production facilities from requirements of certain provisions of the bill.

Amendment No. 9—Access roads: Reported in disagreement. In connection with the action to be recommended by the managers on the part of the House, the committee of conference adopts the language contained in the Senate report that it is not good legislative technique to allow funds in one bill that have been disallowed in another bill, and emphasizes that its action in this recommendation to take care of an urgent need is not to be taken as a precedent for future action.

Amendment No. 10—Transfer of funds: Inserts the language of the Senate amendment authorizing the transfer of not to exceed 5 per centum between appropriations to the Atomic Energy Commission.

TENNESSEE VALLEY AUTHORITY

Amendment No. 11: Reported in disagreement.

Amendment No. 12—Limitation on salaries: Strikes out the language of the House as proposed by the Senate in connection with the limitation on the salary of any employee of TVA in the District of Columbia. The committee of conference is in agreement that no salary in the District of Columbia for this agency should exceed \$10,000, and that such a requirement shall be effective whenever any position affected by this provision is no longer occupied by a present incumbent.

Amendment No. 13—Resource development: Reported in disagreement. In connection with the amendment to be recommended by the managers on the part of the House, the conferees also have approved \$500,000 for resource development earmarked for such purpose by the Senate from the appropriation of \$183,371,000 for TVA contained in the bill.

VETERANS' ADMINISTRATION

Amendment No. 14—General operating expenses: Authorizes the use of \$3,200,000 for expenses of travel as proposed by the Senate, instead of \$2,675,720 as proposed by the House.

Amendment No. 15—Medical administration and miscellaneous operating expenses: Authorizes the use of \$856,000 for expenses of travel as proposed by the Senate, instead of \$753,800 as proposed by the House.

Amendment No. 16—Maintenance and operation of hospitals: Authorizes the use of \$305,000 for expenses of travel as proposed by

the Senate, instead of \$270,000 as proposed by the House.

Amendment No. 17—Maintenance and operation of domiciliary facilities: Authorizes the use of \$4,800 for expenses of travel as proposed by the Senate, instead of \$3,200 as proposed by the House.

Amendment No. 18—Out-patient care: Authorizes the use of \$196,000 for expenses of travel of employees as proposed by the Senate, instead of \$190,140 as proposed by the House.

Amendments Nos. 19, 20 and 21—Out-patient dental care: Insert language as proposed by the Senate in connection with fee basis dental care; and strike out language as proposed by the Senate in connection with the time during which application for treatment must be made. In connection with the limitation on dental care, it is the understanding of the conferees that Spanish-American War veterans will not be affected by this provision. It is also recommended that the legislative committee look into the matter of dental care early in the next session of the Congress.

Amendment No. 22—Maintenance and operation of supply depots: Authorizes the use of \$18,200 for expenses of travel as proposed by the Senate, instead of \$13,000 as proposed by the House.

Amendment No. 23—Readjustment benefits: Inserts language as proposed by the Senate exempting commitments for loans made by the Veterans Administration prior to September 1, 1953 from the provisions of the proviso pertaining to certain payments by the Veterans Administration.

Amendment No. 24: Reported in disagreement.

Amendment No. 25—Hospital and domiciliary facilities: Reported in disagreement.

Amendment No. 26—Hospital and domiciliary facilities: Appropriates \$17,500,000, instead of \$2,500,000 as proposed by the Senate and \$48,867,000 as proposed by the House. The amount recommended by the conferees will provide funds for planning for hospital construction at San Francisco, California, Topeka, Kansas, and Houston, Texas, will provide funds to get started on construction at these three projects, and enable VA to conduct a survey of the hospital construction program and the sites owned by them and report by February 1, 1954.

Amendment No. 27: Strikes out provisions of the House, as proposed by the Senate, which require that funds be available to complete projects before commencing construction, and which establish limitations on the percentage of construction funds that may be used for planning.

Amendment No. 28—Transfer of funds: Inserts language as proposed by the Senate limiting funds that may be transferred between certain appropriations to not to exceed 10 per centum of the appropriation so augmented.

Amendment No. 29—Travel limitation: Strikes out language proposed by the House and inserts language proposed by the Senate, which excepts uncompensated officials of local boards and appeal boards of the Selective Service System from travel limitations contained in the bill.

Amendment No. 30—Limitation on funds available for personnel engaged in information, publicity, editorial, and similar work: Strikes out language proposed by the House to reduce personnel employed in this type of work, as proposed by the Senate.

Amendment No. 31: Corrects a section number.

JOHN PHILLIPS,
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CLARENCE CANNON,

Managers on the Part of the House.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the Appendix of the RECORD, or to revise and extend remarks, was granted to:

Mr. TALLE and to include pertinent material relating to rehabilitation.

Mr. ANGELL in two instances and to include extraneous matter.

Mr. CLARDY and to include an article.

Mr. BAKER and to include an editorial.

Mr. JONAS of North Carolina and to include an article.

Mr. FARRINGTON in two instances and to include extraneous matter.

Mr. SIKES and to include a very able statement from the pen of Stewart Alsop which appeared on July 19.

Mr. PRICE in five instances and to include extraneous matter.

Mr. PERKINS in 2 instances, in 1 to include extraneous matter.

Mr. BYRD and to include extraneous matter.

Mr. WIER and to include an article from the Minneapolis Tribune.

Mr. MADDEN and to include an editorial.

Mr. MILLER of Kansas.

Mr. HALEY and to include an editorial.

Mr. HARVEY and to include an article.

Mr. SIMPSON of Illinois and to include an editorial from the Quincy (Ill.) Herald Whig.

Mr. REED of New York.

Mr. MCCORMACK in two instances and to include two editorials.

Mr. EDMONDSON and to include an editorial.

Mr. CARNAHAN and to include extraneous matter.

Mr. SECREST to revise and extend the remarks he made on the second independent offices conference report earlier in the day.

Mr. BOYKIN.

Mr. GATHINGS and to include a speech delivered by Hon. JAMES C. DAVIS, of Georgia, before the South Carolina Press Association at Blowing Rock, N. C., on Saturday, July 18, 1953.

Mr. CURTIS of Nebraska prior to the vote on the bill extending the Federal hospital program.

Mr. MACK of Illinois immediately following the remarks of Mr. COOPER on H. R. 4152.

Mr. SIEMINSKI in three instances and to include extraneous matter.

Mr. VORYS and Mr. GROSS to revise and extend their remarks made in Committee.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. WIGGLESWORTH (at the request of Mr. HESELTON) for the week of July 20, on account of illness.

Mr. SCHENCK (at the request of Mr. MCGREGOR) for an indefinite period, on account of illness.

Mr. HOWELL (at the request of Mr. DURHAM) for July 20, 1953, on account of death in family.

SENATE BILLS REFERRED

Bills and a concurrent resolution of the Senate of the following titles were

taken from the Speaker's table and, under the rule, referred as follows:

S. 61. An act for the relief of Hedwig Marek and Emma Elizabeth Marek; to the Committee on the Judiciary.

S. 144. An act for the relief of the Cavalier County Fair Association; to the Committee on the Judiciary.

S. 205. An act for the relief of Evdokia J. Kitsos; to the Committee on the Judiciary.

S. 323. An act for the relief of Rose Cohen; to the Committee on the Judiciary.

S. 541. An act to extend detention benefits under the War Claims Act of 1948 to employees of contractors with the United States; to the Committee on Interstate and Foreign Commerce.

S. 550. An act for the relief of Thomas O. Robitscher; to the Committee on the Judiciary.

S. 563. An act for the relief of Ronald Lee Shields; to the Committee on the Judiciary.

S. 569. An act for the relief of Lina Anna Adelheid (Adam) Hoyer; to the Committee on the Judiciary.

S. 596. An act for the relief of Alfonso Albano; to the Committee on the Judiciary.

S. 672. An act for the relief of Agostino Giusto; to the Committee on the Judiciary.

S. 727. An act to provide that certain costs and expenses incurred in connection with certain repayment contracts with irrigation districts approved by the acts of Congress of May 6, 1949 (63 Stat. 62), October 27, 1949 (63 Stat. 941), and June 23, 1952 (66 Stat. 151, 153) shall be nonreimbursable; to the Committee on Interior and Insular Affairs.

S. 825. An act for the relief of Karin Rita Grubb; to the Committee on the Judiciary.

S. 887. An act to permit the exchange and amendment of farm units on Federal irrigation projects, and for other purposes; to the Committee on Interior and Insular Affairs.

S. 1152. An act to extend for a period of 5 years the authority of the Secretary of Agriculture to make loans to fur farmers; to the Committee on Agriculture.

S. 1197. An act granting the consent of Congress to the negotiation by the States of Nebraska, Wyoming, and South Dakota of certain compacts with respect to the use of waters common to two or more of said States; to the Committee on Interior and Insular Affairs.

S. 1456. An act to amend the act entitled "An act to authorize a permanent annual appropriation for the maintenance and operation of the Gorgas Memorial Laboratory," approved May 7, 1928, as amended; to the Committee on Foreign Affairs.

S. 1704. An act for the relief of Christina Pantelis Triantafyllu; to the Committee on the Judiciary.

S. 1955. An act for the relief of Giorgio Salvini Thompson; to the Committee on the Judiciary.

S. 2137. An act to prohibit the blending of wheat imported as unfit for human consumption with wheat suitable for human consumption; to the Committee on the Judiciary.

S. 2175. An act to amend title VI of the Legislative Reorganization Act of 1946, as amended, with respect to the retirement of employees in the legislative branch; to the Committee on Post Office and Civil Service.

S. 2320. An act to change the date for the beginning of annual assessment work on mining claims held by location in the United States, including the Territory of Alaska, from the 1st day of July to the 1st day of October and to extend the time during which annual assessment work on such claims may be made for the year beginning July 1, 1952, to the 1st day of October 1953; to the Committee on Interior and Insular Affairs.

S. Con. Res. 41. Concurrent resolution favoring the suspension of deportation of cer-

Public Law 149 - 83d Congress
Chapter 241 - 1st Session
H. R. 5690

AN ACT

All 67 Stat. 187.

Making appropriations for additional independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1954, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for sundry independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1954, namely: Second Independent Offices Appropriation Act, 1954.

ATOMIC ENERGY COMMISSION

Operating expenses: For necessary operating expenses of the Commission in carrying out the purposes of the Atomic Energy Act of 1946, including the employment of aliens; services authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a); maintenance and operation of aircraft; publication and dissemination of atomic information; purchase, repair, and cleaning of uniforms; purchase of newspapers and periodicals (not to exceed \$5,000); official entertainment expenses (not to exceed \$5,000); not to exceed \$2,564,130 for expenses of travel; reimbursement of the General Services Administration for security guard services; not to exceed \$27,352,000 for program direction and administration personnel; and hire of passenger motor vehicles; \$891,781,000, together with the unexpended balances, as of June 30, 1953, of prior year appropriations made available under this head to the Atomic Energy Commission: *Provided*, That of such amounts \$100,000 may be expended for objects of a confidential nature and in any such case the certificate of the Commission as to the amount of the expenditure and that it is deemed inadvisable to specify the nature thereof shall be deemed a sufficient voucher for the sum therein expressed to have been expended: *Provided further*, That from this appropriation transfers of sums may be made to other agencies of the Government for the performance of the work for which this appropriation is made, and in such cases the sums so transferred may be merged with the appropriation to which transferred: *Provided further*, That no part of this appropriation shall be used to pay the salary of any officer or employee (except such officers and employees whose compensation is fixed by law, and scientific and technical personnel) whose position would be subject to the Classification Act of 1949, as amended, if such Act were applicable to such position, at a rate in excess of the rate payable under such Act for positions of equivalent difficulty or responsibility: *Provided further*, That no part of this appropriation shall be used in connection with the payment of a fixed fee to any contractor or firm of contractors engaged under a cost-plus-a-fixed-fee contract or contracts at any installation of the Commission, where that fee for community management is at a rate in excess of \$90,000 per annum, or for the operation of a transportation system where that fee is at a rate in excess of \$45,000 per annum. 60 Stat. 775.
42 USC 1801 note.
60 Stat. 810.

Plant and equipment: For expenses of the Commission in connection with the purchase and construction of plant and the acquisition of equipment and other expenses incidental thereto necessary in carrying out the purposes of the Atomic Energy Act of 1946, including purchase of land and interests in land; purchase of aircraft; purchase of two hundred and sixty-three passenger-carrying motor vehicles for replacement only in the event adequate vehicles cannot be Transfers of funds.
Salary restriction.
63 Stat. 954.
5 USC 1071 note.
Cost-plus-a-fixed-fee contract, etc.
42 USC 1801 note.

Unexpended
balances.
Reactor con-
struction.

Particle ac-
celerators,
construction.

Construction
projects, re-
strictions.

obtained by transfer from other departments or agencies and hire of passenger motor vehicles; \$166,000,000, to remain available until expended: *Provided*, That the unexpended balances of prior year appropriations made available under this head shall be merged with this appropriation: *Provided further*, That in addition to funds allocated for research and development for any reactor which will advance technology towards both ship propulsion and the generation of industrial power and for design of such atonic power reactors, the Commission may expend from funds provided under this head such sum as may be necessary, not to exceed \$7,000,000, for beginning of construction of such reactors, without regard to any other provision of this Act: *Provided further*, That funds appropriated under this head may, whenever the Commission determines a need exists, be used for the construction of particle accelerators without regard to any other provision of this Act: *Provided further*, That no part of the foregoing appropriation shall be available for the construction of any office building, residence, warehouse or similar structure, utility, or other specific portion or unit of a project, unless funds are available for the completion of such building, utility, or other specific portion or unit of such project. The foregoing proviso shall not be construed to prevent the purchase of land for any project, the construction of any new building or procurement of any machinery, equipment or materials therefor, nor any utility nor any portion or unit of a specific project if the funds are available to pay the cost of such land, the cost of such building, machinery, equipment or materials, or the cost of such utility or the cost of any such specific portion or unit of such project: *Provided further*, That no part of this appropriation shall be used—

(A) to start any new construction project for which an estimate was not included in the budget for the current fiscal year; and

(B) to start any new construction project the currently estimated cost of which exceeds by thirty-five per centum the estimated cost included therefor in such budget: *Provided further*, That the Commission is authorized to transfer not to exceed \$10,000,000 to the Bureau of Public Roads, Department of Commerce, to provide for construction of access roads to the Pike County, Ohio, plant and to the Arco, Idaho, plant of the Commission.

Contract pay-
ments, re-
striction.

No part of the appropriations herein made to the Atomic Energy Commission shall be available for payments under any contract hereafter negotiated without advertising by the Commission, except contracts with any foreign government or any agency thereof and contracts for source material with foreign producers, unless such contract includes a clause to the effect that the Comptroller General of the United States or any of his duly authorized representatives shall until the expiration of three years after final payment have access to and the right to examine any directly pertinent books, documents, papers, and records of the contractor or any of his subcontractors engaged in the performance of and involving transactions related to such contracts or subcontracts: *Provided*, That no part of such appropriations shall be available for payments under any such contract which includes any provision precluding an audit by the General Accounting Office of any transaction under such contract.

Audit by GAO.

Transfers of
funds.

Any appropriation available under this Act or heretofore made to the Atomic Energy Commission may initially be used during the fiscal year 1954 to finance the procurement of materials, services, or other costs which are a part of work or activities for which funds have been provided in any other appropriation available to the Commission: *Provided*, That appropriate transfers or adjustments between such

appropriations shall subsequently be made for such costs on the basis of actual application determined in accordance with generally accepted accounting principles.

Not to exceed 5 per centum of any appropriation under this head may be transferred to any other such appropriation but no such appropriation shall be increased by more than 5 per centum by any such transfers, and any such transfers shall be reported promptly to the appropriations committees of the House and Senate.

Restriction.
Report to Con-
gressional
Committees.

No part of any appropriation herein made to the Atomic Energy Commission shall be used to confer a fellowship on any person who advocates or who is a member of an organization or party that advocates the overthrow of the Government of the United States by force or violence or with respect to whom the Commission finds, upon investigation and report by the Civil Service Commission on the character, associations, and loyalty of whom, that reasonable grounds exist for belief that such person is disloyal to the Government of the United States: *Provided*, That any person who advocates or who is a member of an organization or party that advocates the overthrow of the Government of the United States by force or violence and accepts employment or a fellowship the salary, wages, stipend, grant, or expenses for which are paid from any appropriation contained herein shall be guilty of a felony and, upon conviction, shall be fined not more than \$1,000 or imprisoned for not more than one year, or both: *Provided further*, That the above penal clause shall be in addition to, and not in substitution for, any other provisions of existing law.

AEC fellowships.
Disloyalty re-
strictions.

Penalty.

SELECTIVE SERVICE SYSTEM

SALARIES AND EXPENSES

For expenses necessary for the operation and maintenance of the Selective Service System, as authorized by title I of the Universal Military Training and Service Act (62 Stat. 604), as amended, including services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a); not to exceed \$250 for the purchase of newspapers and periodicals; not to exceed \$80,000 for expenses of travel, National Administration, Planning, Training, and Records Management; not to exceed \$200,000 for expenses of travel, State Administration, Planning, Training, and Records Servicing; \$92,500 for the National Selective Service Appeal Board, of which not to exceed \$3,875 shall be available for expenses of travel; and \$265,000 for the National Advisory Committee on the Selection of Doctors, Dentists, and Allied Specialists, of which not to exceed \$35,000 shall be available for expenses of travel; \$29,882,400: *Provided*, That during the current fiscal year, the President may exempt this appropriation from the provisions of subsection (c) of section 3679 of the Revised Statutes, as amended, whenever he deems such action to be necessary in the interest of national defense.

65 Stat. 75.
50 USC app. 451-
471.
60 Stat. 810.

31 USC 665.

Appropriations for the Selective Service System may be used for the destruction of records accumulated under the Selective Training and Service Act of 1940, as amended, which are hereby authorized to be destroyed by the Director of Selective Service after compliance with the procedures for the destruction of records prescribed pursuant to the Records Disposal Act of 1943, as amended (44 U. S. C. 366-380): *Provided*, That no records may be transferred to any other agency without the approval of the Director of Selective Service.

Destruction of
records.
54 Stat. 885.
50 USC app.
318.
57 Stat. 380.

TENNESSEE VALLEY AUTHORITY

48 Stat. 48. 16 USC 831. Restrictions. For the purpose of carrying out the provisions of the Tennessee Valley Authority Act of 1933, as amended (16 U. S. C., ch. 12A), including purchase (not to exceed one) and hire, maintenance, and operation of aircraft, and hire of passenger motor vehicles, \$188,371,000, to remain available until expended, and to be available for the payment of obligations chargeable against prior appropriations: *Provided*, That no funds appropriated for the Tennessee Valley Authority by this paragraph shall be used for the maintenance or operation of any aircraft for passenger service that is not specifically confined to the active operation of the official business of the Tennessee Valley Authority by officers or employees of such Authority, and not to exceed \$773,000 (exclusive of travel for work in connection with the construction of transmission lines, dams, and steam plants) of funds available to the Tennessee Valley Authority shall be used for expenses of travel: *Provided further*, That no part of funds available for expenditure by this agency shall be used, directly or indirectly, to acquire a building for use as an administrative office of the Tennessee Valley Authority unless and until the Director of the Bureau of Budget, following a study of the advisability of the proposed acquisition, shall advise the Committees on Appropriations of the Senate and the House of Representatives and the Tennessee Valley Authority that the acquisition has his approval.

16 USC 831. Resource development: For resource development activities pursuant to the Tennessee Valley Authority Act of 1933, as amended, \$850,000, of which \$675,000 shall be from proceeds derived from the operations of the Tennessee Valley Authority.

REDUCTION IN APPROPRIATION

The sum of \$66,000 heretofore appropriated for construction of a combination fertilizer facility is hereby carried to the surplus fund and covered into the Treasury immediately upon the approval of this Act.

VETERANS ADMINISTRATION

Public relations work. Educational attendance reports. General operating expenses: For necessary operating expenses of the Veterans Administration, not otherwise provided for, including expenses incidental to securing employment for war veterans; not to exceed \$6,000 for newspapers and periodicals; not to exceed \$3,200,000 for expenses of travel of employees; and not to exceed \$43,700 for preparation, shipment, installation, and display of exhibits, photographic displays, moving pictures, and other visual educational information and descriptive material, including purchase or rental of equipment; \$193,531,000: *Provided*, That no part of this appropriation shall be used to pay in excess of twenty-six persons engaged in public relations work: *Provided further*, That between September 1, 1953, and June 30, 1954, no part of any appropriation shall be used to pay to educational institutions for reports and certifications of attendance at such institutions covering attendance on or after September 1953 an allowance at a rate in excess of \$1 per month for each eligible veteran enrolled in and attending such institution.

Medical administration and miscellaneous operating expenses: For expenses necessary for administration of the medical, hospital, domiciliary, special service, construction and supply, research, and employee education and training activities; expenses necessary for carrying out programs of medical research and of education and training of employees, as authorized by law; repairs, alterations, and improve-

ments of facilities for regional offices and supply depots, as authorized by law; and not to exceed \$856,000 for expenses of travel of employees paid from this appropriation; \$14,870,400.

Maintenance and operation of hospitals: For expenses necessary for maintenance and operation of hospitals, including the furnishing of recreational articles and facilities; not to exceed \$305,000 for expenses of travel of employees; and maintenance and operation of farms; \$555,000,000, including the sum of \$7,000,000 for reimbursable services performed for other government agencies and individuals: *Provided*, That the foregoing appropriation is predicated on the staffing and operation of 114,315 beds during the fiscal year 1954, and if a lesser number is provided such appropriation shall be expended only in proportion to the number of beds staffed and operated.

Contract hospitalization: For care and treatment of beneficiaries of the Veterans Administration in facilities not under the jurisdiction of the Veterans Administration, as authorized by law, \$20,583,100: *Provided*, That allotments and transfers may be made from this appropriation to the Department of Health, Education, and Welfare (Public Health Service), the Army, Navy, Air Force, and Interior Departments, for disbursement by them under the various headings of their applicable appropriations, of such amounts as are necessary for the care and treatment of beneficiaries of the Veterans Administration. Transfers of funds.

Maintenance and operation of domiciliary facilities: For expenses necessary for the maintenance and operation of domiciliary facilities, including recreational articles and facilities, and not to exceed \$4,800 for expenses of travel of employees; and aid to State or Territorial homes in conformity with the Act approved August 27, 1888, as amended (24 U. S. C. 134), for the support of veterans eligible for admission to Veterans Administration facilities for hospital or domiciliary care; \$24,248,200. 25 Stat. 450.

Out-patient care: For expenses necessary for furnishing out-patient care to beneficiaries of the Veterans Administration, as authorized by law, including not to exceed \$196,000 for expenses of travel of employees; \$92,677,900, of which not exceeding \$23,000,000 shall be available for out-patient fee basis dental care: *Provided*, That no part of this appropriation shall be available for out-patient dental services and treatment, or related dental appliances with respect to a service-connected dental disability which is not compensable in degree unless such condition or disability is shown to have been in existence at time of discharge and application for treatment is made within one year after enactment of this Act: *Provided*, That this limitation shall not apply to adjunct out-patient dental services or appliances for any dental condition associated with and held to be aggravating disability from some other service incurred or service aggravated injury or disease.

Maintenance and operation of supply depots: For expenses necessary for maintenance and operation of supply depots, including not to exceed \$18,200 for expenses of travel of employees, \$1,800,000.

Compensation and pensions: For the payment of compensation, pensions, gratuities, and allowances (including subsistence allowances authorized by part VII of Veterans Regulation 1a, as amended), ^{38 USC note foll. ch. 12.} authorized under any Act of Congress, or regulation of the President based thereon, including emergency officers' retirement pay and annuities, the administration of which is now or may hereafter be placed in the Veterans Administration, and for the payment of adjusted-service credits as provided in sections 401 and 601 of the Act of May 19, 1924, as amended (38 U. S. C. 631 and 661), ^{43 Stat. 125.} \$2,246,291,000, to be immediately available and to remain available until expended.

58 Stat. 287. Readjustment benefits: For the payment of benefits to or on behalf
38 USC 701, of veterans as authorized by titles II, III, and V, of the Servicemen's
694-694m, 696- Readjustment Act of 1944, as amended, and title II of the Veterans
696m, note Readjustment Assistance Act of 1952, \$664,311,000, to be immediately
foll. ch. 12. available and to remain available until expended: *Provided*, That
66 Stat. 663. from September 1, 1953, to June 30, 1954, no part of any appropriation
38 USC 911-984. to the Veterans Administration shall be available, in connection with
any loan authorized by title III of the Servicemen's Readjustment
Act of 1944, as amended (38 U. S. C. 694-694n), for payment to the
lender by the Administrator of Veterans Affairs, or for credit on the
loan, of an amount equivalent to 4 per centum of the amount origi-
nally loaned, guaranteed or insured by the Veterans Administration:
Provided further, That no right to any such payment shall accrue
during this period, but the foregoing proviso shall not apply with
respect to payments based on guarantees made, or certificates of com-
mitments issued, prior to said date or commitments for loans made
by the Veterans Administration: *Provided further*, That under any
contract between a State, or any political subdivision of a State, and
the Veterans' Administration providing for the furnishing of instru-
tion in a course of institutional on-farm or other training under part
VIII of Veterans Regulation Numbered 1 (a), as amended (Public
Law 346, Seventy-eighth Congress, as amended) liability authorized
by this section by reason of payments of subsistence allowance which
were illegal because of failure of the veteran or the course to comply
with the applicable statutory, regulatory or contractual requirements
shall not be applied to the contracting State, or political subdivision,
unless the Administrator of Veterans' Affairs, after investigation,
finds that an employee or representative of such State, or political
subdivision, conspired with the veteran by, or was guilty of fraud or
gross negligence in, falsely reporting to the Veterans' Administration
that the veteran was in a proper course of training, failing to report
unauthorized or excessive absences from, or interruption or discon-
tinuance of, his course of training, or not discovering the failure of
the veteran to comply with the applicable statutory, regulatory, or
contractual requirements and not promptly terminating the course
of training of the veteran. The provisions of this proviso shall be
effective as of July 13, 1950, but shall not require repayment of any
funds heretofore properly recovered by agreement of the parties to
any such contract, and shall not be applicable to any other liabilities
or agreements pursuant to such contract.

Effective date
of proviso.

Military and naval insurance: For military and naval insurance
\$1,496,000, to remain available until expended.

46 Stat. 1550. Hospital and domiciliary facilities: For hospital and domiciliary
58 Stat. 284. facilities, for planning (including a survey of the hospital construc-
tion program) and for extending, with the approval of the Presi-
dent, any of the facilities under the jurisdiction of the Veterans
Administration or for any of the purposes set forth in sections 1 and
2 of the Act approved March 4, 1931 (38 U. S. C. 438j-k) or in section
101 of the Servicemen's Readjustment Act of 1944 (38 U. S. C. 693a),
to remain available until expended, \$17,500,000.

Hospital and domiciliary facilities (liquidation of contract author-
ization): For payment of obligations heretofore authorized to be
incurred under this head, \$21,185,664, to remain available until
expended.

54 Stat. 1008. National service life insurance: For the payment of benefits and for
38 USC 818. transfer to the national service life insurance fund, in accordance with
the National Service Life Insurance Act of 1940, as amended,
\$75,000,000, to remain available until expended: *Provided*, That certain

premiums shall be credited to this appropriation as provided by the Act.

Servicemen's indemnities: For payment of liabilities under the Servicemen's Indemnity Act of 1951, \$18,000,000, to remain available until expended.

65 Stat. 33.
38 USC 851
note.

Veterans miscellaneous benefits: For the payment of burial awards authorized by Veterans Administration Regulation Numbered 9 (a), as amended, and for supplies, equipment, and tuition authorized by part VII and payments authorized by part IX of Veterans Administration Regulation Numbered 1 (a), as amended, \$35,743,000, to remain available until expended.

38 USC note
foll. ch. 12.

Grants to the Republic of the Philippines: For payment to the Republic of the Philippines of grants in accordance with the Act of July 1, 1948 (50 U. S. C. App. 1991-1996), for expenses incident to medical care and treatment of veterans, \$1,731,000, and in addition thereto not exceeding \$769,000 of the unobligated balance for this purpose for the fiscal year 1953.

62 Stat. 1210.

Supply fund: For establishment of a revolving supply fund effective July 1, 1953, to be available without fiscal year limitation for all expenses necessary for the operation and maintenance of a supply system for the Veterans Administration including procurement of supplies and equipment, and personal services, the Administrator is authorized to capitalize, at fair and reasonable values as determined by him, all supplies and materials and depot stocks of equipment on hand or on order: *Provided*, That the fund shall be (1) reimbursed for the cost of all services, equipment and supplies furnished appropriations at rates determined by the Administrator on the basis of estimated or actual direct and indirect cost; (2) credited with advances from appropriations to which services or supplies are to be furnished, and all other receipts resulting from the operation of the fund including the proceeds of disposal of scrap, excess or surplus personal property of the fund, and receipts from carriers and others for loss of or damage to personal property: *Provided further*, That following the close of each fiscal year any net income after making provision for prior losses, if any, shall be covered into the Treasury of the United States as miscellaneous receipts: *Provided further*, That an adequate system of accounts for the fund shall be maintained on the accrual method and financial reports prepared on the basis of such accounts, and that an annual business type budget shall be prepared for the operations under this fund.

Supply fund.

Not to exceed 5 per centum of any appropriation for the current fiscal year for "Compensation and pensions", "Readjustment benefits", "Military and naval insurance", "National service life insurance", and "Servicemen's indemnities", may be transferred, to any other of the mentioned appropriations, but not to exceed 10 per centum of the appropriation so augmented.

Appropriations available to the Veterans Administration for the current fiscal year for salaries and expenses shall be available for services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a).

60 Stat. 810.

Appropriations available to the Veterans Administration for the current fiscal year for "Maintenance and operation of hospitals", "Maintenance and operation of domiciliary facilities", and "Out-patient care", shall be available for funeral, burial, and other expenses incidental thereto (except burial awards authorized by Veterans Administration Regulation Numbered 9 (a), as amended), for beneficiaries of the Veterans Administration receiving care under such appropriations.

38 USC note
foll. ch. 12.

No part of the appropriations in this Act for the Veterans Administration (except the appropriation for "Hospital and domiciliary facilities") shall be available for the purchase of any site for or toward the construction of any new hospital or home.

Appropriations in this Act for the Veterans Administration for "Maintenance and operation of hospitals" and "Maintenance and operation of domiciliary facilities" may be used to repair, alter, improve, or provide facilities in the several hospitals and homes under the jurisdiction of the Veterans Administration, not otherwise provided for, either by contract, or by the hire of temporary employees and the purchase of materials.

No part of the foregoing appropriations shall be available for hospitalization or examination of any persons except beneficiaries entitled under the laws bestowing such benefits to veterans, unless reimbursement of cost is made to the appropriation at such rates as may be fixed by the Administrator of Veterans Affairs.

The Administrator of Veterans Affairs is hereby authorized, in his discretion, to activate and operate at reasonable standards throughout the fiscal year 1954 those beds which are needed and which can be staffed, in the following categories: (a) all beds in Veterans Administration hospital and domiciliary facilities and all contract beds that were in use during the fiscal year 1953, except those replaced or to be replaced by new construction, (b) all beds in Veterans Administration hospital and domiciliary facilities and all contract beds that were closed during the fiscal year 1953, except those replaced or to be replaced by new construction, and (c) all beds in Veterans Administration hospital and domiciliary facilities constructed in the fiscal years 1953 and 1954; provided, that the qualified personnel required for the standard operation and maintenance of such beds can be obtained.

GENERAL PROVISIONS

SEC. 102. The general provisions applicable to appropriations contained in title I of the "First Independent Offices Appropriation Act, 1954", shall apply to appropriations contained in this Act, excepting the Tennessee Valley Authority: *Provided*, That the provisions of section 102 of such Act shall not apply to travel performed by uncompensated officials of local boards and appeal boards of the Selective Service System.

SEC. 103. No part of any appropriation contained in this Act, or of the funds available for expenditure by any corporation included in this Act, shall be used to pay the salary or wages of any person who engages in a strike against the Government of the United States or who is a member of an organization of Government employees that asserts the right to strike against the Government of the United States, or who advocates, or is a member of an organization that advocates, the overthrow of the Government of the United States by force or violence: *Provided*, That for the purposes hereof an affidavit shall be considered prima facie evidence that the person making the affidavit has not contrary to the provisions of this section engaged in a strike against the Government of the United States, is not a member of an organization of Government employees that asserts the right to strike against the Government of the United States, or that such person does not advocate, and is not a member of an organization that advocates, the overthrow of the Government of the United States by force or violence: *Provided further*, That any person who engages in a strike against the Government of the United States or who is a member of an organization of Government employees that asserts the right to strike

Strikes or
overthrow of
U. S. Govern-
ment.

Affidavit.

Penalty.

against the Government of the United States, or who advocates, or who is a member of an organization that advocates, the overthrow of the Government of the United States by force or violence and accepts employment the salary or wages for which are paid from any appropriation or fund contained in this Act shall be guilty of a felony and, upon conviction, shall be fined not more than \$1,000 or imprisoned for not more than one year, or both: *Provided further*, That the above penalty clause shall be in addition to, and not in substitution for, any other provisions of existing law.

SEC. 104. No part of any appropriation contained in this Act, or of the funds available for expenditure by any corporation or agency included in this Act, shall be used for publicity or propaganda purposes designed to support or defeat legislation pending before the Congress. Publicity or
propaganda.

SEC. 105. This Act may be cited as the "Second Independent Offices Appropriation Act, 1954". Short title.

Approved July 27, 1953.

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